

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2025

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

OR

For the transition period from to
Commission File Number: 001-35186

SPIRIT AVIATION HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

33-3711797
(I.R.S. Employer
Identification No.)

1731 Radiant Drive Dania Beach Florida
(Address of principal executive offices)

33004
(Zip Code)

(954) 447-7920

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Name of exchange on which registered | Trading Symbol |
|----------------------------------|--------------------------------------|----------------|
| Common Stock, \$0.0001 par value | NYSE American | FLYY |

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐

Accelerated filer ☒

Non-accelerated filer ☐

Smaller reporting company ☐

(Do not check if a smaller reporting company)

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☒ No ☐

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the close of business on August 4, 2025:

| Class | Number of Shares |
|----------------------------------|------------------|
| Common Stock, \$0.0001 par value | 25,882,259 |

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PART I. Financial Information

ITEM 1. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Spirit Aviation Holdings, Inc.
Condensed Consolidated Statements of Operations
(unaudited, in thousands, except per share amounts)

| | Successor | Predecessor |
|--|-------------------------------------|-------------------------------------|
| | Three Months Ended June 30, 2025 | Three Months Ended June 30, 2024 |
| Operating revenues: | | |
| Passenger | \$ 1,000,806 | \$ 1,253,803 |
| Other | 19,027 | 27,086 |
| Total operating revenues | 1,019,833 | 1,280,889 |
| Operating expenses: | | |
| Salaries, wages and benefits | 367,361 | 418,378 |
| Aircraft fuel | 260,486 | 407,296 |
| Aircraft rent | 140,693 | 125,339 |
| Landing fees and other rents | 101,457 | 116,064 |
| Depreciation and amortization | 62,886 | 84,486 |
| Maintenance, materials and repairs | 48,747 | 52,453 |
| Distribution | 47,139 | 45,923 |
| Special charges (credits) | — | (381) |
| Loss (gain) on disposal of assets | (309) | (14,047) |
| Other operating | 175,496 | 197,890 |
| Total operating expenses | 1,203,956 | 1,433,401 |
| Operating income (loss) | (184,123) | (152,512) |
| Other (income) expense: | | |
| Interest expense | 62,103 | 54,307 |
| Capitalized interest | (557) | (5,689) |
| Interest income | (7,142) | (12,169) |
| Other (income) expense | 262 | 665 |
| Special charges, non-operating | 11,039 | — |
| Total other (income) expense | 65,705 | 37,114 |
| Income (loss) before income taxes | (249,828) | (189,626) |
| Provision (benefit) for income taxes | (3,997) | 3,301 |
| Net income (loss) | \$ (245,831) | \$ (192,927) |
| Basic earnings (loss) per share | \$ (7.24) | \$ (1.76) |
| Diluted earnings (loss) per share | \$ (7.24) | \$ (1.76) |

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Operations
(unaudited, in thousands, except per share amounts)

| | Successor | Predecessor | |
|--|--|--|-----------------------------------|
| | Period from March 13, 2025 through June 30, 2025 | Period from January 1, 2025 through March 12, 2025 | Six Months Ended June 30, 2024 |
| Operating revenues: | | | |
| Passenger | \$ 1,253,765 | \$ 740,610 | \$ 2,493,113 |
| Other | 23,113 | 14,744 | 53,313 |
| Total operating revenues | 1,276,878 | 755,354 | 2,546,426 |
| Operating expenses: | | | |
| Salaries, wages and benefits | 443,573 | 308,585 | 849,861 |
| Aircraft fuel | 321,283 | 219,922 | 813,647 |
| Aircraft rent | 171,577 | 120,183 | 240,545 |
| Landing fees and other rents | 122,401 | 87,001 | 222,782 |
| Depreciation and amortization | 74,483 | 54,853 | 165,832 |
| Maintenance, materials and repairs | 59,956 | 47,498 | 107,368 |
| Distribution | 57,571 | 39,461 | 91,099 |
| Special charges (credits) | (4) | — | 35,877 |
| Loss (gain) on disposal of assets | (328) | 11,655 | (17,076) |
| Other operating | 212,446 | 153,395 | 396,340 |
| Total operating expenses | 1,462,958 | 1,042,553 | 2,906,275 |
| Operating income (loss) | (186,080) | (287,199) | (359,849) |
| Other (income) expense: | | | |
| Interest expense | 71,880 | 47,682 | 109,116 |
| Loss (gain) on extinguishment of debt | — | (87) | (14,996) |
| Capitalized interest | (675) | (956) | (15,692) |
| Interest income | (9,145) | (8,873) | (25,759) |
| Other (income) expense | 312 | 902 | (65,825) |
| Special charges, non-operating | 12,415 | 5,511 | — |
| Reorganization (gain) expense | — | (421,464) | — |
| Total other (income) expense | 74,787 | (377,285) | (13,156) |
| Income (loss) before income taxes | (260,867) | 90,086 | (346,693) |
| Provision (benefit) for income taxes | (4,100) | 17,870 | (11,131) |
| Net income (loss) | \$ (256,767) | \$ 72,216 | \$ (335,562) |
| Basic earnings (loss) per share | \$ (8.15) | \$ 0.66 | \$ (3.07) |
| Diluted earnings (loss) per share | \$ (8.15) | \$ 0.66 | \$ (3.07) |

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Spirit Aviation Holdings, Inc.
Condensed Consolidated Statements of Comprehensive Income (Loss)
(unaudited, in thousands)

| | Successor | Predecessor |
|--|-------------------------------------|-------------------------------------|
| | Three Months Ended June 30, 2025 | Three Months Ended June 30, 2024 |
| Net income (loss) | \$ (245,831) | \$ (192,927) |
| Unrealized gain (loss) on short-term investment securities and cash and cash equivalents, net of deferred taxes of \$— and \$3 | 19 | (15) |
| Interest rate derivative loss reclassified into earnings, net of taxes of \$— and \$4 | — | 14 |
| Other comprehensive income (loss) | \$ 19 | \$ (1) |
| Comprehensive income (loss) | \$ (245,812) | \$ (192,928) |

| | Successor | Predecessor | |
|--|--|--|-----------------------------------|
| | Period from March 13, 2025 through June 30, 2025 | Period from January 1, 2025 through March 12, 2025 | Six Months Ended June 30, 2024 |
| Net income (loss) | \$ (256,767) | \$ 72,216 | \$ (335,562) |
| Unrealized gain (loss) on short-term investment securities and cash and cash equivalents, net of deferred taxes of \$—, \$— and \$23 | — | (201) | (127) |
| Interest rate derivative loss reclassified into earnings, net of taxes of \$—, \$— and \$10 | (2) | 34 | 28 |
| Other comprehensive income (loss) | \$ (2) | \$ (167) | \$ (99) |
| Comprehensive income (loss) | \$ (256,769) | \$ 72,049 | \$ (335,661) |

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Spirit Aviation Holdings, Inc.
Condensed Consolidated Balance Sheets
(unaudited, in thousands)

| | Successor | Predecessor |
|---|---------------------|---------------------|
| | June 30, 2025 | December 31, 2024 |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 407,511 | \$ 902,057 |
| Restricted cash | 152,088 | 168,390 |
| Short-term investment securities | — | 118,334 |
| Accounts receivable, net | 219,414 | 178,955 |
| Prepaid expenses and other current assets | 253,057 | 278,366 |
| Assets held for sale | 449,149 | 463,020 |
| Total current assets | 1,481,219 | 2,109,122 |
| Property and equipment: | | |
| Flight equipment | 1,893,585 | 2,736,461 |
| Other property and equipment | 447,030 | 783,645 |
| Less accumulated depreciation | (51,434) | (1,027,872) |
| | 2,289,181 | 2,492,234 |
| Operating lease right-of-use assets | 4,457,889 | 4,583,734 |
| Intangible assets | 83,482 | 550 |
| Pre-delivery deposits on flight equipment | 73,572 | 113,493 |
| Deferred heavy maintenance, net | 115,451 | 241,094 |
| Other long-term assets | 75,493 | 54,951 |
| Total assets | \$ 8,576,287 | \$ 9,595,178 |
| Liabilities and shareholders' equity (deficit) | | |
| Current liabilities: | | |
| Accounts payable | \$ 147,676 | \$ 32,385 |
| Air traffic liability | 407,473 | 436,813 |
| Current maturities of long-term debt, net, and finance leases | 121,190 | 436,532 |
| Current maturities of operating leases | 239,633 | 257,796 |
| Other current liabilities | 537,556 | 605,839 |
| Total current liabilities | 1,453,528 | 1,769,365 |
| Long-term debt, net and finance leases, less current maturities | 2,242,448 | 1,761,215 |
| Operating leases, less current maturities | 4,228,832 | 4,335,106 |
| Deferred income taxes | 64,757 | 51,927 |
| Deferred gains and other long-term liabilities | 107,277 | 122,595 |
| Liabilities subject to compromise | — | 1,635,104 |
| Shareholders' equity (deficit): | | |
| Common stock | 2 | 11 |
| Additional paid-in-capital | 736,212 | 1,173,692 |
| Treasury stock, at cost | — | (81,285) |
| Retained earnings (deficit) | (256,767) | (1,172,740) |
| Accumulated other comprehensive income (loss) | (2) | 188 |
| Total shareholders' equity (deficit) | 479,445 | (80,134) |
| Total liabilities and shareholders' equity (deficit) | \$ 8,576,287 | \$ 9,595,178 |

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Spirit Aviation Holdings, Inc.
Condensed Consolidated Statements of Cash Flows
(unaudited, in thousands)

| | Successor | Predecessor | |
|--|---|---|-----------------------------------|
| | Period from March 13, 2025 through June 30, 2025 | Period from January 1, 2025 through March 12, 2025 | Six Months Ended June 30, 2024 |
| Operating activities: | | | |
| Net income (loss) | \$ (256,767) | \$ 72,216 | \$ (335,562) |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operations: | | | |
| Losses reclassified from other comprehensive income | (2) | 34 | 38 |
| Share-based compensation | 1,844 | 1,233 | 3,422 |
| Allowance for doubtful accounts (recoveries) | 215 | — | 823 |
| Amortization of debt issuance costs | 1,349 | 1,003 | 7,069 |
| Amortization of debt fair value adjustment (fresh start accounting) | 11,568 | — | — |
| Depreciation and amortization | 74,483 | 54,853 | 165,832 |
| Accretion of 8.00% senior secured notes | — | — | 2,105 |
| Amortization of debt discount | 109 | — | 5,767 |
| Deferred income tax expense (benefit) | (4,651) | 17,481 | (11,345) |
| Loss (gain) on disposal of assets | (328) | 11,655 | (17,076) |
| Reorganization items | — | (421,464) | — |
| Changes in operating assets and liabilities: | | | |
| Accounts receivable, net | (17,948) | (22,726) | (12,005) |
| Deposits and other assets | (4,188) | 13,597 | (28,990) |
| Deferred heavy maintenance | (12,345) | (26,736) | (49,224) |
| Accounts payable | 101,000 | 14,240 | (2,599) |
| Air traffic liability | (111,195) | 81,855 | 113,234 |
| Other liabilities | (31,906) | (20,165) | (110,370) |
| Other | (897) | (767) | (1,112) |
| Net cash provided by (used in) operating activities | (249,659) | (223,691) | (269,993) |

| | | | |
|---|--------------------------|--------------------------|--------------------------|
| Investing activities: | | | |
| Purchase of available-for-sale investment securities | (27,996) | (25,072) | (94,724) |
| Proceeds from the maturity and sale of available-for-sale investment securities | 148,186 | 24,750 | 94,100 |
| Proceeds from sale of property and equipment | — | — | 161,581 |
| Pre-delivery deposit and other payments on flight equipment | (2,823) | (1,411) | (1,836) |
| Pre-delivery deposit refunds on flight equipment | 13,217 | 26,434 | 163,995 |
| Capitalized interest | (262) | (1,331) | (10,849) |
| Assets under construction for others | 4,206 | 2,875 | 395 |
| Purchase of property and equipment | (14,081) | (7,204) | (60,551) |
| Net cash provided by (used in) investing activities | 120,447 | 19,041 | 252,111 |
| Financing activities: | | | |
| Proceeds from issuance of long-term debt | 215,000 | — | 123,500 |
| Proceeds from issuance of common stock and warrants | — | 350,000 | — |
| Payments on debt obligations | (42,129) | (634,506) | (119,632) |
| Payments for the early extinguishment of debt | (42,966) | — | (124,007) |
| Payments on finance lease obligations | (73) | (37) | (177) |
| Reimbursement for assets under construction for others | (4,508) | (2,573) | (395) |
| Repurchase of common stock | — | — | (645) |
| Debt and equity financing costs | (1,738) | (13,456) | — |
| Net cash provided by (used in) financing activities | 123,586 | (300,572) | (121,356) |
| Net increase (decrease) in cash, cash equivalents, and restricted cash | (5,626) | (505,222) | (139,238) |
| Cash, cash equivalents, and restricted cash at beginning of period (1) | 565,225 | 1,070,447 | 984,611 |
| Cash, cash equivalents, and restricted cash at end of period (1) | <u>\$ 559,599</u> | <u>\$ 565,225</u> | <u>\$ 845,373</u> |
| Supplemental disclosures | | | |
| Cash payments for: | | | |
| Interest, net of capitalized interest | \$ 21,848 | \$ 64,790 | \$ 83,671 |
| Income taxes paid (received), net | \$ 1,412 | \$ 152 | \$ 7,050 |
| Cash paid for amounts included in the measurement of lease liabilities: | | | |
| Operating cash flows for operating leases | \$ 196,602 | \$ 96,575 | \$ 249,778 |
| Financing cash flows for finance leases | \$ 8 | \$ 5 | \$ 17 |
| Non-cash transactions: | | | |
| Capital expenditures funded by finance lease borrowings | \$ — | \$ — | \$ 274 |
| Capital expenditures funded by operating lease borrowings | \$ 88,916 | \$ 98,385 | \$ 731,365 |

⁽¹⁾ The sum of cash and cash equivalents and restricted cash on the Company's condensed consolidated balance sheets equals cash, cash equivalents, and restricted cash in the Company's condensed consolidated statement of cash flows.

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Spirit Aviation Holdings, Inc.
Condensed Consolidated Statements of Shareholders' Equity
(unaudited, in thousands)

Six Months Ended June 30, 2024

| | Common Stock | Additional Paid-In- Capital | Treasury Stock | Retained Earnings (Deficit) | Accumulated Other Comprehensive Income (Loss) | Total |
|---|-----------------|-----------------------------------|-------------------|-----------------------------------|---|--------------|
| Balance at December 31, 2023 (Predecessor) | \$ 11 | \$ 1,158,278 | \$ (80,635) | \$ 56,755 | \$ (67) | \$ 1,134,342 |
| Derivative liability | — | 8,204 | — | — | — | 8,204 |
| Share-based compensation | — | 3,080 | — | — | — | 3,080 |
| Repurchase of common stock | — | — | (636) | — | — | (636) |
| Changes in comprehensive income (loss) | — | — | — | — | (98) | (98) |
| Net income (loss) | — | — | — | (142,635) | — | (142,635) |
| Balance at March 31, 2024 (Predecessor) | \$ 11 | \$ 1,169,562 | \$ (81,271) | \$ (85,880) | \$ (165) | \$ 1,002,257 |
| Share-based compensation | — | 342 | — | — | — | 342 |
| Repurchase of common stock | — | — | (9) | — | — | (9) |
| Changes in comprehensive income (loss) | — | — | — | — | (1) | (1) |
| Net income (loss) | — | — | — | (192,927) | — | (192,927) |
| Balance at June 30, 2024 (Predecessor) | \$ 11 | \$ 1,169,904 | \$ (81,280) | \$ (278,807) | \$ (166) | \$ 809,662 |

Six Months Ended June 30, 2025

| | Common Stock | Additional Paid-In- Capital | Treasury Stock | Retained Earnings (Deficit) | Accumulated Other Comprehensive Income (Loss) | Total |
|---|-----------------|-----------------------------------|-------------------|-----------------------------------|--|-------------|
| Balance at December 31, 2024 (Predecessor) | \$ 11 | \$ 1,173,692 | \$ (81,285) | \$ (1,172,740) | \$ 188 | \$ (80,134) |
| Share-based compensation | — | 1,233 | — | — | — | 1,233 |
| Changes in comprehensive income (loss) | — | — | — | — | (61) | (61) |
| Net income (loss) | — | — | — | 72,216 | — | 72,216 |
| Cancellation of Predecessor Equity | (11) | (1,174,925) | 81,285 | 1,100,524 | (127) | 6,746 |
| Issuance of Warrants | — | 441,745 | — | — | — | 441,745 |
| Issuance of Successor common stock | 2 | 292,623 | — | — | — | 292,625 |
| Balance at March 12, 2025 (Predecessor) | \$ 2 | \$ 734,368 | \$ — | \$ — | \$ — | \$ 734,370 |
| Balance at March 13, 2025 (Successor) | \$ 2 | \$ 734,368 | \$ — | \$ — | \$ — | \$ 734,370 |
| Changes in comprehensive income (loss) | — | — | — | — | (21) | (21) |
| Net income (loss) | — | — | — | (10,936) | — | (10,936) |
| Balance at March 31, 2025 (Successor) | \$ 2 | \$ 734,368 | \$ — | \$ (10,936) | \$ (21) | \$ 723,413 |
| Share-based compensation | — | 1,844 | — | — | — | 1,844 |
| Changes in comprehensive income (loss) | — | — | — | — | 19 | 19 |
| Net income (loss) | — | — | — | (245,831) | — | (245,831) |
| Balance at June 30, 2025 (Successor) | \$ 2 | \$ 736,212 | \$ — | \$ (256,767) | \$ (2) | \$ 479,445 |

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Notes to Condensed Consolidated Financial Statements (unaudited)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of Spirit Aviation Holdings, Inc. ("Spirit") and its consolidated subsidiaries. The term "Company" is used to refer to (a) Spirit and its consolidated subsidiaries for periods on or after the Emergence Date (as defined below) and (b) Spirit Airlines, Inc. ("Spirit Airlines") and its consolidated subsidiaries for periods prior to the Emergence Date.

These unaudited condensed consolidated financial statements reflect all normal recurring adjustments that management believes are necessary to fairly present the financial position, results of operations and cash flows of the Company for the respective periods presented. Certain information and footnote disclosures normally included in the audited annual financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission for Form 10-Q. These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited financial statements of the Company and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 filed with the Securities and Exchange Commission on March 3, 2025.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect both the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates. In addition, the classifications of certain prior year amounts have been adjusted in the Company's Condensed Consolidated Financial Statements and these Notes to conform to current year classifications.

The interim results reflected in the unaudited condensed consolidated financial statements are not necessarily indicative of the results that may be expected for other interim periods or for the full year. The air transportation business is subject to significant seasonal fluctuations as demand is generally greater in the second and third quarters of each year. The air transportation business is volatile and highly affected by economic cycles and trends.

On November 18, 2024, (the "Petition Date"), Spirit Airlines commenced a voluntary case (the "Chapter 11 Case") under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), and, on November 25, 2024, certain of Spirit Airlines' subsidiaries (together with Spirit Airlines, the "Company Parties") also filed voluntary petitions seeking relief under Chapter 11 of the Bankruptcy Code and joined the Chapter 11 Case (collectively, the "Chapter 11 Cases"). On February 20, 2025, the Bankruptcy Court entered an order (the "Confirmation Order") confirming the *First Amended Joint Chapter 11 Plan of Reorganization of Spirit Airlines, Inc. and Its Debtor Affiliates* (the "Plan"). On March 12, 2025 (the "Emergence Date" or "Effective Date"), the Company Parties emerged from the Chapter 11 Cases in accordance with the Plan. Refer to Note 3, Emergence from Voluntary Reorganization under Chapter 11, for additional information.

Between the Petition Date and the Emergence Date, the Company Parties operated as debtors-in-possession under the supervision of the Bankruptcy Court. The effect of the Company's emergence from bankruptcy has been applied to the financial statements as of close of business on March 12, 2025. As used herein, the following terms refer to the Company and its operations:

| | |
|------------------------------|--|
| "Predecessor" | The Company, prior to the Emergence Date |
| "Current Predecessor Period" | The Company's operations, January 1, 2025 – March 12, 2025 |
| "Prior Predecessor Quarter" | The Company's operations, April 1, 2024 - June 30, 2024 |
| "Successor" | The Company, after the Emergence Date |
| "Successor Period" | The Company's operations, March 13, 2025 - June 30, 2025 |
| "Current Successor Quarter" | The Company's operations, April 1, 2025 - June 30, 2025 |

In accordance with ASC 852, with the application of fresh start accounting to the Successor Period, the Company allocated its reorganization value to its individual assets and liabilities based on their estimated fair value in conformity with FASB ASC Topic 820 - Fair Value Measurements and FASB ASC Topic 805 - Business Combinations. Accordingly, the Successor Period's condensed consolidated financial statements after March 12, 2025 are not comparable with the Predecessor's condensed consolidated financial statements as of or prior to that date. The Effective Date fair values of certain of the Successor's assets and liabilities differ from their recorded values as reflected on the historical balance sheet of the Predecessor.

Refer to Note 3, Emergence from Voluntary Reorganization under Chapter 11 and Note 4, Fresh Start Accounting, for additional information.

All estimates, assumptions, valuations and financial projections related to fresh start accounting, including the fair value adjustments, the enterprise value and equity value projections, are inherently subject to significant uncertainties and the resolution of contingencies beyond the Company's control. Accordingly, no assurances can be provided that the estimates, assumptions, valuations or financial projections will be realized, and actual results could vary materially. For information about the use of estimates relating to fresh start accounting, refer to Note 4, Fresh Start Accounting.

During the Current Predecessor Period, the Predecessor applied ASC 852 in preparing the unaudited financial statements, which requires distinguishing transactions associated with the reorganization separate from activities related to the ongoing operations of the business. Accordingly, pre-petition liabilities that could have been impacted by the Chapter 11 Cases were classified as liabilities subject to compromise. Additionally, certain expenses, realized gains and losses and provisions for losses that were realized or incurred during and directly related to the Chapter 11 Cases, including fresh start valuation adjustments and gains on liabilities subject to compromise were recorded as reorganization items, net in the condensed consolidated statements of operations in the Current Predecessor Period.

Due to the lack of comparability with historical financials, the Company's unaudited financial statements and related footnotes are presented with a "black line" that separates the Predecessor and Successor periods to emphasize the lack of comparability between amounts presented as of and after March 12, 2025 (the "Fresh Start Reporting Date") and amounts presented for all prior periods. The Successor's financial results for future periods following the application of fresh start accounting will be different from historical trends and the differences may be material. Refer to Note 4, Fresh Start Accounting, for additional information.

The Company evaluates events that occur after the balance sheet date, but before the financial statements are issued for potential recognition or disclosure.

Going Concern

On March 12, 2025, the Company emerged from the Chapter 11 Cases in accordance with the Plan. As part of the reorganization, the Company successfully restructured certain of its debt obligations, established new financing arrangements, and issued new equity securities consisting of new common stock and new warrants. However, the Company has continued to be affected by adverse market conditions, including elevated domestic capacity and continued weak demand for domestic leisure travel in the second quarter of 2025, resulting in a challenging pricing environment. As a result, the Company continues to experience challenges and uncertainties in its business operations and expects these trends to continue for at least the remainder of 2025.

The Company has already taken certain measures to address these challenges, including the implementation of network and product enhancements, including its **Premium Economy** travel option, consummation of sale-leaseback transactions related to certain of its owned spare engines, and other discretionary cost reduction strategies, including the pilot furloughs announced in July 2025. After considering the measures taken, minimum liquidity covenants in the Company's debt obligations and credit card processing agreement require financial results to improve at a rate faster than what the Company is currently anticipating. As a result, the Company plans to take additional liquidity enhancing measures, which may include the sale or other monetization of certain aircraft and real estate, the sale of excess airport gate capacity, elimination of certain fixed costs and other transactions to raise additional liquidity. The Company is in discussions with various stakeholders related to some of these future initiatives. The Company is also in discussions with representatives of its credit card processor, which has requested additional collateral to renew its credit card processing agreement, which expires on December 31, 2025. The level of collateral required to be posted could result in a material reduction of unrestricted cash. While it is the Company's goal to execute on these initiatives, there can be no assurance that such initiatives will be successful.

If these initiatives are unsuccessful, management believes it is probable that the Company will be unable to comply with the minimum liquidity covenants under the Company's debt obligations and credit card processing agreement at some point in the next 12 months, which would result in an event of default (in the case of the Exit Revolving Credit Facility, if there are amounts drawn and outstanding under the Exit Revolving Credit Facility at that time), which could cause the maturity of the Company's debt obligations to be accelerated. Because of the uncertainty of successfully completing the initiatives to comply with the minimum liquidity covenants and of the outcome of discussions with Company stakeholders, management has concluded there is substantial doubt as to the Company's ability to continue as a going concern within 12 months from the date these financial statements are issued.

The Company's condensed consolidated financial statements have been prepared assuming that it will continue to operate as a going concern, which contemplates the continuity of operations, realization of assets and liquidation of liabilities in the normal course of business, and does not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from uncertainty related to its ability to continue as a going concern.

2. Recent Accounting Developments

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvement to Income Tax Disclosures, to enhance the transparency and decision usefulness of income tax disclosures. This standard is effective for the Company for the annual period beginning after December 15, 2024, with early adoption permitted. These amendments should be applied on a prospective basis. Retrospective application is permitted. The Company is currently evaluating the potential impact and related disclosure of adopting this new guidance within its Annual Report on Form 10-K for the year ended December 31, 2025 and subsequent annual reports.

In November 2024, the FASB issued ASU No. 2024-03 ("ASU 2024-03"), Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40). Subsequently, the FASB released ASU NO. 2025-01, which revises the effective date. This standard requires disclosure of specific information about costs and expenses and is effective for the Company for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of this new standard.

3. Emergence from Voluntary Reorganization under Chapter 11

On the Petition Date, Spirit Airlines commenced the Chapter 11 Case under the Bankruptcy Code in the Bankruptcy Court, and, on November 25, 2024, certain of Spirit Airlines' subsidiaries also filed voluntary petitions seeking relief under Chapter 11 of the Bankruptcy Code and joined the Chapter 11 Cases. On February 20, 2025, the Bankruptcy Court entered the Confirmation Order confirming the Plan. On the Emergence Date, the Company Parties emerged from the Chapter 11 Cases in accordance with the Plan. From the Petition Date to the Emergence Date, the Company Parties operated their businesses as debtors-in-possession under the jurisdiction of the Bankruptcy Court in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court.

Plan of Reorganization

On the Emergence Date, all conditions precedent to the effectiveness of the Plan were either satisfied or waived, and the Company Parties emerged from the Chapter 11 Cases. In accordance with the Plan and effective as of the Emergence Date:

- *Cancellation of Senior Secured Notes and Convertible Notes.* The then-outstanding Senior Secured Notes (Class 4 Claims) and Convertible Notes (Class 5 Claims) were canceled and terminated. Refer to Note 15, Debt and Other Obligations, for additional information.
- *Exit Secured Notes.* Certain subsidiaries of Spirit issued \$840.0 million of senior secured notes due 2030 (the "Exit Secured Notes"), at an interest rate of (x) 12.00% per annum, of which 8.00% per annum shall be payable in cash and 4.00% per annum shall be payable in-kind or, (y) if elected by the Company in advance of each quarterly interest period, at 11.00% per annum payable in cash, to certain creditors in the Chapter 11 Cases. Refer to Note 15, Debt and Other Obligations, for additional information.
- *Exit Revolving Credit Facility.* Spirit and certain of its subsidiaries entered into Amended and Restated Credit and Guaranty Agreement with the lenders of the revolving credit facility due in 2026 ("Exit RCF" or "Exit Revolving Credit Facility") that provides revolving credit loans and letters of credit in an aggregated amount equal to \$275.0 million and an uncommitted incremental revolving credit facility up to \$25.0 million. The commitment of \$275.0 million will be reduced to \$250.0 million on September 30, 2026. Concurrently, Spirit Airlines paid the then-

outstanding Revolving Credit Facility of \$300.0 million (Class 3 Claims) in full. Refer to Note 15, Debt and Other Obligations, for additional information.

- *Termination of the Debtor-in-Possession Financing.* The \$300.0 million senior secured superpriority debtor-in-possession facility (the “DIP Facility”) that the Company Parties previously entered into was fully repaid and subsequently terminated. Refer to Note 15, Debt and Other Obligations, for additional information.
- *Common Stock and Warrants.* Spirit issued 16,067,305 shares of a single class of common stock (the “Common Stock”) and 24,255,256 warrants to purchase shares of Common Stock (the “Warrants”) to certain creditors in the Chapter 11 Cases, as further described in Note 8, Equity, and certain adjustments set forth in the Plan.
- *Cancellation of Prior Equity Securities.* All common stock, unvested equity awards, any outstanding PSP loan warrants and all other equity interests in Spirit Airlines that were outstanding immediately prior to the Emergence Date were terminated and canceled. Refer to Note 8, Equity, for additional information.
- *Settlement of Claims and Fees.* General Administrative Claims, Professional Fee Claims, and fees payable to U.S. Trustee were or will be paid in full.
- *Unimpaired Claims.* Other Secured Claims and Other Priority Claims were paid or will be paid in full in the ordinary course, were reinstated, or otherwise rendered unimpaired. General Unsecured Claims were reinstated or otherwise rendered unimpaired.
- *Election of Directors.* Spirit appointed new members to its board of directors, and the directors of Spirit Airlines stepped down.
- *Charter and Bylaws.* Pursuant to the Plan, Spirit amended and restated its certificate of incorporation (the “Charter”) and bylaws (the “Bylaws”), each of which became effective on the Effective Date.
- *Holding Company Reorganization.* The Company completed a corporate reorganization (the “Corporate Reorganization”) pursuant to which Spirit became the new parent company, with Spirit Airlines becoming a wholly owned subsidiary of Spirit and converting from a Delaware corporation to a Delaware limited liability company. Spirit became the successor issuer to Spirit Airlines for SEC reporting purposes pursuant to Rule 15d-5 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

The costs of efforts to restructure the Company’s capital, prior to and during the Chapter 11 Cases, along with all other costs incurred in connection with the Chapter 11 Cases, have been material.

Reorganization Items

Any expenses and losses incurred or realized as of or subsequent to the Petition Date through the Emergence Date and as a direct result of the Chapter 11 Cases are recorded within reorganization (gain) expense on the Company's condensed consolidated statements of operations. For the Current Predecessor Period, the Company recorded \$421.5 million of reorganization gain which consisted of the following items (in millions):

| Reorganization (Gain) Expense | Predecessor | |
|---|---|---------|
| | Period from 1/1/25 through 3/12/25 | |
| Loss on Equity Rights Offering ("ERO") distribution and backstop issuance | \$ | 115.8 |
| Retained Professional fees | | 29.7 |
| Reclass of ERO related expense and Exit RCF financing costs | | 19.8 |
| Extinguishment of unvested stock compensation awards | | 7.6 |
| Write off of prior RCF prepaid loan fees | | 3.0 |
| Miscellaneous fees | | 0.6 |
| Recognition of Exit Secured Notes and Exit RCF financing costs | | (13.9) |
| Fresh start valuation adjustment | | (22.5) |
| (Gain) on Class 4 settlement | | (232.3) |

| | |
|---|-------------------|
| (Gain) on Class 5 settlement | (329.3) |
| Reorganization (Gain) Expense, net | \$ (421.5) |

Special Charges, Non-Operating

Expenses incurred prior to the Petition date or after the Emergence Date in relation to the Chapter 11 Cases are recorded within special charges, non-operating on the Company's condensed consolidated statements of operations. During the Current Successor Quarter, the Successor Period and the Current Predecessor Period the Company recorded charges of \$11.0 million, \$12.4 million and \$5.5 million, respectively. Charges incurred during the Successor periods primarily related to post-emergence restructuring related expenses, including professional fees, other related costs, and termination and retention expenses. Charges incurred during the Current Predecessor Period primarily consisted of professional and other fees. Refer to Note 7, Special Charges (Credits) for additional information.

Fresh Start Accounting

On the Emergence Date, the Company qualified for and adopted fresh start accounting in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic No. 852 – Reorganizations (ASC 852), which specifies the accounting and financial reporting requirements for entities reorganizing through Chapter 11 bankruptcy proceedings. The application of fresh start accounting resulted in a new basis of accounting and the Company becoming a new entity for financial reporting purposes. As a result of the implementation of the Plan and the application of fresh start accounting, these unaudited condensed consolidated financial statements after the Emergence Date are not comparable to the financial statements before that date and the historical financial statements on or before the Emergence Date are not a reliable indicator of its financial condition and results of operations for any period after the Company's adoption of fresh start accounting. Refer to Note 4, Fresh Start Accounting for additional information.

NYSE American Listing

In connection with the Company's emergence from bankruptcy and consistent with its contractual obligations, the Company applied to list its common stock for listing on the NYSE American stock exchange. Trading began on April 29, 2025, under the symbol FLYY.

4. Fresh Start Accounting

Adoption of Fresh Start Accounting

In connection with the emergence from bankruptcy and in accordance with ASC 852, the Company qualified for and adopted fresh start accounting on the Emergence Date because (1) the holders of the then-existing common shares of the Predecessor received less than 50% of the Common Stock shares of the Successor outstanding upon emergence and (2) the reorganization value of the Predecessor's assets immediately prior to confirmation of the Plan of \$8,720 million was less than the total of all post-petition liabilities and allowed claims of \$9,819 million.

In accordance with ASC 852, upon adoption of fresh start accounting, the reorganization value derived from the enterprise value as disclosed in the Plan was allocated to the Company's assets and liabilities based on their fair values in accordance with FASB ASC Topic No. 805 - Business Combinations (ASC 805) and FASB ASC Topic No. 820 - Fair Value Measurements (ASC 820), with limited exceptions (such as deferred taxes). The amount of deferred income taxes recorded due to the fair value adjustments to assets and liabilities was determined in accordance with FASB ASC Topic No. 740 - Income Taxes.

With the application of fresh start accounting, the Company allocated its reorganization value to its individual assets and liabilities based on their estimated fair value. Accordingly, the condensed consolidated financial statements after March 12, 2025 are not comparable with the condensed consolidated financial statements as of or prior to that date. The Effective Date fair values of the Successor's assets and liabilities differ materially from their recorded values as reflected on the historical balance sheet of the Predecessor.

Reorganization Value

The reorganization value represents the fair value of the Successor's total assets before considering certain liabilities and is intended to approximate the amount a willing buyer would pay for the Successor's assets immediately after restructuring. The Plan confirmed by the Bankruptcy Court estimated a range of enterprise values between \$6.1 billion and \$6.8 billion.

The following table reconciles the enterprise value to the reorganization value of Successor's assets that has been allocated to the Company's individual assets as of the Fresh Start Reporting Date (in millions):

| | Fresh Start Reporting Date |
|--|---------------------------------------|
| Enterprise Value | \$ 6,450 |
| Plus: Excess cash and cash equivalents | 508 |
| Plus: Non-operating assets | 447 |
| Plus: Current and other liabilities (excluding debt) | 1,315 |
| Reorganization Value | \$ 8,720 |

Analyses

Management's advisors determined the enterprise and corresponding equity value of the Successor using various valuation methods, including (i) discounted cash flow analysis ("DCF"), (ii) public comparable analysis and (iii) precedent transaction analysis. The use of each approach provides corroboration for the other approaches.

DCF Analysis. The DCF analysis is an enterprise valuation methodology that estimates the value of an asset or business by calculating the present value of expected future cash flows to be generated by that asset or business plus a present value of the estimated terminal value of that asset or business. Management's advisor's DCF analysis used estimated debt-free, after-tax free cash flows through 2028. These cash flows were then discounted at a range of estimated weighted average costs of capital ("Discount Rate") for Spirit. The Discount Rate reflects the estimated blended rate of return that would be expected by debt and equity investors to invest in Spirit's businesses based on a target capital structure. The enterprise value was determined by calculating the present value of Spirit's unlevered after-tax free cash flows plus an estimate for the value of Spirit beyond the period covered by the projections reviewed known as the terminal value.

Selected Publicly Traded Companies Analysis. The selected publicly traded companies analysis is based on the enterprise values of selected publicly traded companies that have operating and financial characteristics comparable in certain respects to Spirit. For example, such characteristics may include similar industry, size, and scale of operations, operating margins, growth rates, and geographical exposure. Under this methodology, certain financial multiples that measure financial performance and value are calculated for each selected company and then applied to Spirit's financials to imply an enterprise value for Spirit. Management advisor used, among other measures, enterprise value (defined as market value of equity, plus book value of debt and book value of preferred stock and minority interests, less cash, subject to adjustments for underfunded obligations and other items where appropriate) for each selected company as a multiple of such company's publicly available consensus projected EBITDAR for fiscal years 2025 and 2026. Although the selected companies were used for comparison purposes, no selected publicly traded company is either identical or directly comparable to Spirit or its businesses. Accordingly, management advisor's comparison of selected publicly traded companies to Spirit and its businesses, and its analysis of the results of such comparisons, was not purely mathematical, but instead involved considerations and judgments concerning differences in operating and financial characteristics and other factors that could affect the relative values of the selected publicly traded companies and Spirit. The selection of appropriate companies for this analysis is a matter of judgment and subject to limitations due to sample size and the public availability of meaningful market-based information.

Selected Transaction Analysis. The selected transactions analysis is based on the implied enterprise values of companies and assets involved in publicly disclosed merger and acquisition transactions for which the targets had operating and financial characteristics comparable in certain respects to Spirit. Under this methodology, the enterprise value of each such target is determined by an analysis of the consideration paid and the net debt assumed in the merger or acquisition transaction. The enterprise value is then compared to a selected financial metric, in this case, EBITDAR for Spirit, respectively, for fiscal years 2025 and 2026, to determine an enterprise value multiple. In this analysis, the EBITDAR enterprise value multiples were utilized to determine a range of implied enterprise value for Spirit.

The enterprise value and corresponding equity value are dependent upon achieving the future financial results set forth in the Company's valuations, as well as the realization of certain other assumptions. All estimates, assumptions, valuations and financial projections, including the fair value adjustments, the enterprise value and equity value projections, are inherently subject to significant uncertainties and the resolution of contingencies beyond the Company's control. Accordingly, the Company cannot provide assurances that the estimates, assumptions, valuations or financial projections will be realized, and actual results could vary materially.

Valuation Process

The reorganization value was allocated to the Successor's single reporting segment using the discounted cash flow approach. The reorganization value was then allocated to the Successor's identifiable assets and liabilities using the fair value principle as contemplated in ASC 820. The specific approach, or approaches, used to allocate reorganization value by asset class are noted below.

To determine fair value adjustments as of the Effective Date, the Company engaged third-party valuation specialists to conduct an analysis of the condensed consolidated balance sheets to determine the fair values of each balance. The most significant fair value adjustments were made to property and equipment, operating lease right-of-use assets and operating lease liabilities, assets held-for-sale, airport take-off and landing rights or "slots", and debt as discussed below.

Property and Equipment

The depreciable lives of the Company's assets were not changed as a result of the adoption of fresh start accounting.

Aircraft and Engines. The aircraft and engines were valued as of the emergence date, using a market approach. Multiple third-party valuation resources (including appraisals of specific aircraft/engines) were consulted and relied upon for estimates of recent half-life and maintenance adjusted ranges for all of the aircraft and engines.

Real Property. The fair values of real property locations were estimated using the sales comparison (market) approach and cost approach. As part of the valuation process, information was obtained on the Successor's current usage, building type, year built, and cost history for properties. In determining the fair value for real property assets, functional and economic obsolescence was considered and taken as an adjustment at the asset level.

Personal Property. The fair values of the Company's other personal property (non-aircraft/engines) were estimated using either the cost or market approach. For most personal property categories, a cost approach was utilized relying on purchase year, historic costs, and industry/equipment-based inflation factors to determine replacement cost new of the assets. Readily available market transaction data was used and adjusted for current market conditions for asset categories with active secondary markets such as heavy trucks and computer equipment. In both approaches, consideration was made for the effects of physical deterioration as well as functional and economic obsolescence in determining estimates of fair value.

Operating Right-of-Use Assets and Operating Lease Liabilities

The fair value of operating lease liabilities and the related right-of-use assets was evaluated using the income approach, which is measured as the present value of the remaining lease payments, as if the lease were a new lease as of the Fresh Start Reporting Date. When available, the Company uses the rate implicit in the lease to discount lease payments to present value. However, the Company's leases generally do not provide a readily determinable implicit rate. Therefore, the Company estimates the incremental borrowing rate to discount lease payments based on information available at lease commencement. The Successor used publicly available data for instruments with similar characteristics when calculating its incremental borrowing rates. Additionally, each lease was evaluated for off-market terms as of the Fresh Start Accounting Reporting Date, and the related adjustments were recorded to the right of use asset on the Company's condensed consolidated balance sheets.

Airport Take-Off and Landing Rights or Slots

The fair value of the Company's 22 airport take-off and landing rights (the "Slots") at the LaGuardia Airport ("LGA"), a slot-controlled airport, was estimated using a market approach or sales-comparison approach. Specifically, the LGA Slots were valued using observable transaction data for historical sales of other airport take-off and landing rights at LGA. The data was reviewed to estimate a fair value price per Slot, which was applied to the Company's LGA Slots.

Asset Held-for-Sale

Assets held for sale within the Company's condensed consolidated balance sheets, includes 21 aircraft planned for future sales. These aircraft are not being utilized within the operation and are available for immediate sale as of the Fresh Start reporting date and have been valued at the expected net sale prices (fair value less costs to sell) based upon the executed agreement.

Debt

As of the Emergence Date, Spirit had 35 individual debt instruments comprised of Exit Secured Notes, 4 publicly-traded Enhanced Equipment Trust Certificates ("EETCs"), 22 Fixed Aircraft loans, and 3 Payroll Support Program Agreements. The Company used an income approach, where future cash flows are discounted to present value using a discount rate selected by considering benchmark credit spreads and yield to maturities, to arrive at the estimated fair value for each debt instrument mentioned.

Exit Secured Notes. Upon Emergence, the Company issued \$840 million of Exit Secured Notes, which began trading on March 18, 2025 at 92.50% of par. The Company used a discounted cash flow approach to determine the fair value of the Exit Secured Notes on the Emergence Date.

Enhanced Equipment Trust Certificates (EETC). The Company used publicly available trading prices as of the Emergence Date, ranging from 87.32% to 92.85% to determine the fair value of the EETCs.

Fixed-rate Aircraft Loans. Spirit has 22 individual Aircraft Loans issued to finance the purchase of specific aircraft. The Company used a discounted cash flow approach to determine the fair value of the Aircraft Loans. Since each of these loans is fully collateralized with first liens on the related aircraft, the Company applied a notching method to its current credit rating and utilized a credit rating of BB in the valuation of these debt instruments. The Company concluded that the fair value of the Aircraft Loans ranged from 95.61% to 99.84% of par, depending on the loan, as of the Fresh Start accounting Reporting Date.

Payroll Support Program ("PSP"). The Payroll Support Program ("PSP"), under the Coronavirus Aid, Relief, and Economic Security (CARES) Act provided payroll support to passenger and cargo air carriers and certain contractors for the continuation of payment of employee wages, salaries, and benefits. The PSP loans were valued using a discounted cash flow approach based on a CCC- rating based on an estimated yield leveraging federal reserve economic data ("FRED") and other observable yields as of the Emergence Date.

Condensed Consolidated Successor Balance Sheet

The adjustments included in the following fresh start condensed consolidated balance sheet as of March 12, 2025 reflect the effects of the transactions contemplated by the Plan and executed by the Successor on the Fresh Start Reporting Date (reflected in the column Reorganization Adjustments), and fair value and other required accounting adjustments resulting from the adoption of fresh start accounting (reflected in the column Fresh Start Adjustments). The explanatory notes provide additional information with regard to the adjustments recorded, the methods used to determine the fair values and significant assumptions.

The condensed consolidated balance sheet as of the Fresh Start Reporting Date was as follows (in thousands):

| | Predecessor | Reorganization Items | Fresh Start Adjustment | Successor |
|---|--------------------|---------------------------------|-----------------------------------|------------------|
| Assets | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 678,382 | \$ (289,775) (1) | \$ — | \$ 388,607 |
| Restricted cash | 171,325 | 5,293 (2) | — | 176,618 |
| Short-term investment securities | 119,315 | — | — | 119,315 |
| Accounts receivable, net | 201,681 | — | — | 201,681 |
| Prepaid expenses and other current assets | 259,522 | (2,229) (3) | — | 257,294 |
| Assets held for sale | 447,271 | — | — | 447,271 |

| | | | | |
|---|----------------------------|-------------------------------|------------------------------|----------------------------|
| Total current assets | \$ 1,877,498 | \$ (286,711) | \$ — | \$ 1,590,787 |
| Property and equipment: | | | | |
| Flight equipment | \$ 2,739,143 | \$ — | \$ (850,445) ⁽¹²⁾ | \$ 1,888,698 |
| Ground property and equipment | 787,057 | — | (345,190) ⁽¹³⁾ | 441,866 |
| Less accumulated depreciation | (1,062,116) | — | 1,062,116 ⁽¹⁴⁾ | — |
| | <u>\$ 2,464,084</u> | <u>\$ —</u> | <u>\$ (133,520)</u> | <u>\$ 2,330,564</u> |
| Operating lease right-of-use assets | 4,631,428 | — | (194,510) ⁽¹⁵⁾ | 4,436,918 |
| Intangible assets | 550 | — | 82,932 ⁽¹⁶⁾ | 83,482 |
| Pre-delivery deposits on flight equipment | 85,495 | — | — | 85,495 |
| Deferred heavy maintenance, net | 246,576 | — | (120,871) ⁽¹⁷⁾ | 125,705 |
| Other long-term assets | 67,043 | — | — | 67,043 |
| Total assets | <u>\$ 9,372,673</u> | <u>\$ (286,711)</u> | <u>\$ (365,969)</u> | <u>\$ 8,719,994</u> |
| Liabilities and Shareholders' Equity (Deficit) | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 52,242 | \$ (5,566) ⁽⁴⁾ | \$ — | \$ 46,676 |
| Air traffic liability | 518,668 | — | — | 518,668 |
| Current maturities of long-term debt, net, and finance leases | 471,698 | (309,000) ⁽⁵⁾ | 2,991 ⁽¹⁸⁾ | 165,689 |
| Current maturities of operating leases | 259,713 | — | (17,483) ⁽¹⁵⁾ | 242,230 |
| Other current liabilities | 623,035 | (39,250) ⁽⁶⁾ | (1,536) ⁽¹⁹⁾ | 582,249 |
| Total current liabilities | <u>\$ 1,925,357</u> | <u>\$ (353,816)</u> | <u>\$ (16,029)</u> | <u>\$ 1,555,512</u> |
| | | | | |
| Long-term debt and finance leases, less current maturities | \$ 1,704,517 | \$ 526,841 ⁽⁷⁾ | \$ (177,234) ⁽¹⁸⁾ | \$ 2,054,124 |
| Operating leases, less current maturities | 4,380,845 | — | (172,065) ⁽¹⁵⁾ | 4,208,781 |
| Deferred income taxes | 52,556 | — | 16,852 ⁽²⁰⁾ | 69,408 |
| Deferred gains and other long-term liabilities | 120,795 | — | (22,996) ⁽¹⁹⁾ | 97,799 |
| Total liabilities not subject to compromise | <u>\$ 8,184,070</u> | <u>\$ 173,025</u> | <u>\$ (371,472)</u> | <u>\$ 7,985,623</u> |
| | | | | |
| Liabilities subject to compromise | \$ 1,635,104 | \$ (1,635,104) ⁽⁸⁾ | \$ — | \$ — |
| Shareholders' equity: | | | | |
| Predecessor common stock | \$ 11 | \$ (11) ⁽⁹⁾ | \$ — | \$ — |
| Predecessor Additional paid-in capital | 1,174,925 | (1,174,925) ⁽⁹⁾ | — | — |
| Predecessor Treasury stock at cost | (81,285) | 81,285 ⁽⁹⁾ | — | — |
| Successor common stock \$0.0001 par value | — | 2 ⁽¹⁰⁾ | — | 2 |
| Successor Additional paid-in capital | — | 734,368 ⁽¹⁰⁾ | — | 734,368 |
| Retained earnings | (1,540,278) | 1,534,648 ⁽¹¹⁾ | 5,630 ⁽²¹⁾ | — |
| Accumulated other comprehensive income (loss) | 127 | — | (127) ⁽²²⁾ | — |
| Total shareholders' equity | <u>\$ (446,501)</u> | <u>\$ 1,175,368</u> | <u>\$ 5,503</u> | <u>\$ 734,370</u> |
| Total liabilities and shareholders' equity | <u>\$ 9,372,673</u> | <u>\$ (286,711)</u> | <u>\$ (365,969)</u> | <u>\$ 8,719,994</u> |

Balance Sheet Reorganization Adjustments (in thousands)

(1) Changes in cash and cash equivalents included the following:

| | |
|--|------------|
| Funds received from the Equity Rights Offering | \$ 350,000 |
| Repayment of Debtor in Possession financing principal and accrued interest | (310,555) |

| | |
|---|---------------------|
| Repayment of prepetition Revolving Credit Facility | (300,856) |
| Funding to the professional fee escrow account | (5,293) |
| Payment of professional fees at Emergence | (8,191) |
| Payment of accrued interest on prepetition Senior Secured Notes | (12,826) |
| Payment of accrued interest on prepetition Convertible Senior Notes | (2,013) |
| Payment of Exit RCF Administrative Agent Fees | (41) |
| Net change in cash and cash equivalents | \$ (289,775) |

(2) Changes in restricted cash include the following:

| | |
|--|-----------------|
| Funding to the professional fee escrow account | \$ 5,293 |
| Net change in restricted cash | \$ 5,293 |

(3) Changes in prepaid expenses and other current assets are related to certain debt issuance costs related to the Exit Revolving Credit Facility.

(4) Changes in accounts payable were due to the payment of \$8.2 million in professional fees and recognition of \$2.6 million of success fees earned at Emergence.

(5) The change in current maturities of long-term debt was due to the repayment of the \$309.0 million principal balance of the Debtor in Possession facility at Emergence.

(6) Changes to other liabilities included the following:

| | |
|--|--------------------|
| Accrual of professional fees earned at Emergence | \$ 13,000 |
| Settlement of the Backstop Commitment Premium in Successor shares | (35,000) |
| Payment of accrued interest on prepetition Senior Secured Notes | (12,826) |
| Payment of accrued interest on prepetition Convertible Senior Notes | (2,013) |
| Payment of accrued interest on the Debtor in Possession facility | (1,555) |
| Payment of accrued interest on prepetition Revolving Credit Facility | (856) |
| Net change in other liabilities | \$ (39,250) |

(7) Changes in long-term debt include the following:

| | |
|---|-------------------|
| Issuance of Exit Secured Notes | \$ 840,000 |
| Recognition of deferred financing costs related to the Exit Secured Notes | (13,159) |
| Repayment of the prepetition Revolving Credit Facility principal | (300,000) |
| Net change in long-term debt | \$ 526,841 |

(8) Liabilities subject to compromise settled in accordance with the Plan:

| | |
|--|-----------------------|
| Class 4 Senior Secured Notes claims settled via issuance of Successor shares | \$ (1,110,000) |
| Class 5 Convertible Senior Notes claims settled via issuance of Successor shares | (525,104) |
| Total liabilities subject to compromise settled in accordance with the Plan | \$ (1,635,104) |

The resulting gain on liabilities subject to compromise was determined as follows:

| | |
|---|--------------|
| Prepetition debt obligations settled at Emergence | \$ 1,635,104 |
| Issuance of Exit Secured Notes to settle Class 4 and Class 5 claims | (840,000) |
| Issuance of Successor shares to settle Class 4 claims | (177,694) |

| | |
|---|-------------------|
| Issuance of Successor shares to settle Class 5 claims | (55,836) |
| Gain on liabilities subject to compromise | \$ 561,574 |

(9) Changes to Predecessor common stock, additional paid-in-capital, and treasury stock are due to the extinguishment of Predecessor equity per the Plan.

(10) Reflects the Successor equity including the issuance of 16,067,305 shares of Common Stock and 24,255,256 Warrants, consisting of 3,617,385 Tranche 1 Warrants and 20,637,871 Tranche 2 Warrants pursuant to the Plan.

| | |
|---|-------------------|
| Issuance of Successor equity contemplated in Class 4 and Class 5 settlements | \$ 138,754 |
| Issuance of Successor equity associated with the Rights Offering, Backstop Commitment, and Backstop Premium | 153,870 |
| Fair value of Tranche 2 Warrants contemplated in Class 4 and Class 5 settlements | 94,775 |
| Fair value of Tranche 2 Warrants associated with the Rights Offering, Backstop Commitment, and Backstop Premium | 281,089 |
| Fair value of Tranche 1 Warrants associated with Rights Offering, Backstop Commitment, and Backstop premium | 65,881 |
| Total change in Successor common stock and additional paid-in capital | \$ 734,370 |
| Less: par value of Successor common stock | (2) |
| Change in Successor additional paid-in capital | \$ 734,368 |

The value of Successor equity issued per the Plan and ERO was derived from the Selected Enterprise Value as shown in the table below (in millions):

| | Fresh Start Reporting Date |
|--|---------------------------------------|
| Enterprise Value | \$ 6,450 |
| Minus: Debt and operating leases | (6,671) |
| Plus: Excess cash and cash equivalents | 508 |
| Plus: Non-operating assets | 447 |
| Successor Equity Value | \$ 734 |

(11) Changes to retained earnings included the following:

| | |
|---|---------------------|
| Extinguishment of Predecessor equity | \$ 1,093,651 |
| Gain on settlement of liabilities subject to compromise | 561,574 |
| Gain on issuance of Successor shares via the Equity Rights Offering | (115,840) |
| Recognition of deferred financing costs related to the Exit Secured Notes | 13,159 |
| Recognition of deferred financing costs related to the Exit Revolving Credit Facility | 775 |
| Professional fees earned at Emergence | (15,625) |
| Write off of remaining old RCF prepaid loan fees | (3,003) |
| Recognition of Exit RCF Administrative Agent Fees | (41) |
| Net change to retained earnings | \$ 1,534,648 |

Balance Sheet Fresh Start Adjustments (in thousands)

(12) The change in flight equipment represents the fair value adjustments to the Company's fixed assets due to the adoption of fresh start accounting. The following table summarizes the fair value of flight equipment by asset class:

| | |
|--------------------------------|---------------------|
| Airframes | \$ 1,382,116 |
| Engines | 301,906 |
| Spare rotables and repairables | 204,676 |
| Total flight equipment | \$ 1,888,698 |

(13) The change in ground property and equipment represents the fair value adjustment to the Company's fixed assets due to the adoption of fresh start accounting. The following table summarizes the fair value of ground property and equipment by asset class:

| | |
|--|-------------------|
| Other equipment and vehicles | \$ 108,598 |
| Internal use software | 50,587 |
| Buildings | 230,003 |
| Leasehold improvements | 19,485 |
| Land | 33,193 |
| Total ground property and equipment | \$ 441,866 |

(14) The Company's accumulated depreciation incurred in the Predecessor periods has been eliminated with the adoption of fresh start accounting.

(15) The change in operating lease right of use assets is due to the change in the Company's incremental borrowing rate used in the calculation of operating lease right of use assets and operating lease liabilities, as well as adjustment for off-market terms.

(16) The change in intangible assets represents the fair value adjustment to the Company's air carrier slots due to the adoption of fresh start accounting. The air carrier slots were valued at \$83.5 million as of the Emergence Date.

(17) Changes to deferred heavy maintenance, net are due to the write-off of \$120.9 million of capitalized deferred heavy maintenance costs related to the Company's owned aircraft with the adoption of fresh start accounting. The aircraft and spare engines values as of the emergence date, were determined using a market approach, and included recent half-life and maintenance adjusted values.

(18) Changes to long-term debt include adjustments to the carrying values of the Company's debt instruments to their fair value as of the Fresh Start Reporting Date. The fair value adjustments to the carrying value for each type of debt instrument are noted below:

| | |
|---|---------------------|
| Successor Exit Secured Notes | \$ (24,488) |
| EETC Notes, all tranches | (54,118) |
| Fixed Rate and Senior Term Loans | (5,540) |
| Unsecured Term Loans | (45,007) |
| Finance lease liabilities due to Failed Sale Leasebacks | (45,090) |
| Net change to long-term debt and finance leases | \$ (174,243) |

(19) The change in other current liabilities and deferred gains and other long-term liabilities is due to the elimination of \$24.5 million in the financial liability originally recorded to account for off-market terms on sale leaseback transactions completed in prior periods, commensurate with the adjustment of operating lease liabilities due to the change in the Company's incremental borrowing rate.

(20) The change to deferred income taxes is due to the increase of the net deferred tax liability of \$16.9 million resulting from the changes in fair value of assets and liabilities due to the adoption of fresh start accounting.

(21) Change to retained earnings included the following:

| | |
|--|-----------------|
| Valuation adjustment to the Company's assets due to the adoption of fresh start accounting | \$ (171,459) |
| Valuation adjustment to the Company's debt and financing lease obligations due to the adoption of fresh start accounting | 174,243 |
| Impact of IBR change to right of use assets | (194,510) |
| Impact of IBR change to operating lease liabilities | 189,549 |
| Impact of deferred gain on sale leaseback write off | 24,532 |
| Impact to deferred tax balances | (16,852) |
| Elimination of accumulated other comprehensive income | 127 |
| Net change to retained earnings | \$ 5,630 |

(22) Changes to accumulated other comprehensive income (loss) represent the write-off of Predecessor balance due to the adoption of fresh start accounting.

5. Revenue

Operating revenues are comprised of passenger revenues and other revenues. Passenger revenues are primarily comprised of fares and related ancillary items such as bags, seats and other travel-related fees. Other revenues primarily consist of the marketing component of the sale of loyalty points to the Company's credit card partner and commissions revenue from the sale of various items, such as hotels and rental cars.

Passenger revenues are generally recognized once the related flight departs. Accordingly, the value of tickets and non-fare revenues sold in advance of travel is included under the Company's current liabilities as "air traffic liability," or "ATL," until the related air travel is provided. As of June 30, 2025 and December 31, 2024, the Company had ATL balances of \$407.5 million and \$436.8 million, respectively. Substantially all of the Company's ATL is expected to be recognized within 12 months of the respective balance sheet date.

Loyalty Programs

The Company operates the Spirit Saver\$ Club[®], which is a subscription-based loyalty program that allows members access to exclusive, extra-low fares, as well as discounted prices on bags and seats, shortcut boarding and security, and exclusive offers on hotels, rental cars and other travel necessities. The Company also operates the Free Spirit loyalty program, which attracts members and partners and builds customer loyalty for the Company by offering a variety of awards, benefits and services. Free Spirit loyalty program members earn and accrue points for dollars spent on Spirit for flights and other non-fare services, as well as services from non-air partners such as retail merchants, hotels or car rental companies. Customers can also earn points based on their spending with the Company's co-branded credit card company with which the Company has an agreement to sell points. The Company's co-branded credit card agreement provides for joint marketing pursuant to which cardholders earn points by making purchases using co-branded cards. Points earned and accrued by Free Spirit loyalty program members can be redeemed for travel awards such as free (other than taxes and government-imposed fees), discounted or upgraded travel. The Company's agreement with the administrator of the Free Spirit affinity credit card program expires on December 31, 2028.

The Company defers the amount of award travel obligations as part of loyalty deferred revenue within ATL on the Company's condensed consolidated balance sheets and recognizes loyalty travel awards in passenger revenues as points are used for travel or expire unused.

6. Loss (Gain) on Disposal

During the three months ended June 30, 2025 and the Successor Period, the Company recorded a net gain of \$0.3 million within loss (gain) on disposal of assets in the condensed consolidated statements of operations. This net gain included a \$2.9 million gain recorded as a result of one aircraft sale leaseback transaction related to a new aircraft delivery completed during the second quarter of 2025. The gain was partially offset by a \$1.7 million loss resulting from an adjustment to previously recorded impairment charges recorded in the fourth quarter of 2024, reflecting a change in estimated costs to sell associated with the Company's aircraft sale and purchase agreement with GAT entered into on October 29, 2024, as well as \$0.9 million in losses related to the write-off of obsolete assets and other adjustments.

During the Current Predecessor Period, the Company recorded a loss of \$11.7 million within loss (gain) on disposal of assets in the condensed consolidated statements of operations. This loss included an \$18.5 million adjustment to previously recorded impairment charges in the fourth quarter of 2024, reflecting a change in estimated costs to sell associated with the Company's aircraft sale and purchase agreement with GA Telesis, LLC ("GAT") entered into on October 29, 2024, as well as \$0.4 million in losses, related to the write-off of obsolete assets and other adjustments. These losses were partially offset by a \$6.4 million gain recorded as a result of two aircraft sale leaseback transactions related to new aircraft deliveries completed during the Current Predecessor Period and a \$0.9 million net gain true-up recorded related to the sale of A319 airframes and engines sold in 2024.

7. Special Charges (Credits)

Special Charges, Non-Operating

During the three months ended June 30, 2025, the Successor Period and the Current Predecessor Period, the Company recorded \$11.0 million, \$12.4 million and \$5.5 million, respectively, in special charges, non-operating within other (income) expense in the condensed consolidated statement of operations. Charges incurred during the three months ended June 30, 2025 and the Successor Period primarily related to post-emergence restructuring related expenses, including professional fees, other related costs, and termination and retention expenses. Charges incurred during the Current Predecessor Period primarily consisted of professional and other fees.

8. Equity

Cancellation of Prior Equity Securities

In accordance with the Plan, on the Effective Date, all equity securities in Spirit Airlines outstanding prior to the Effective Date, including Spirit Airlines' common stock, par value \$0.0001 per share (the "Old Common Stock"), were canceled, released, and extinguished, and of no further force or effect and without any need for a holder of Old Common Stock to take further action with respect thereto. Furthermore, all of Spirit Airlines' equity award agreements under any incentive plan, and the awards granted pursuant thereto, were extinguished, canceled, and discharged and have no further force or effect.

Issuance of Spirit Equity Securities

On the Effective Date, in connection with the Company Parties' emergence from bankruptcy and in reliance on the exemption from the registration requirements of the Securities Act provided by Section 1145 of the Bankruptcy Code, Spirit issued 7,618,664 shares of Common Stock and 5,203,899 Warrants to equitize the \$410.0 million of then-outstanding Senior Secured Notes and \$385.0 million of then-outstanding Convertible Notes.

In addition, on the Effective Date, in connection with the Company's emergence from bankruptcy and in reliance on the exemption from registration requirements of the Securities Act provided by Section 4(a)(2) of the Securities Act or Regulation S under the Securities Act, based in part on representations made by these certain parties to the Backstop Commitment Agreement, Spirit issued 678,587 shares of Common Stock and 5,670,853 Warrants to specified parties to the Backstop Commitment Agreement dated November 18, 2024. An aggregate of 3,849,442 of such shares of Common Stock and such Warrants were issued for aggregate consideration of \$53,892,188.

On December 30, 2024, the Company launched an equity rights offering (the "ERO") of equity securities of the reorganized Company in an aggregate amount of \$350.0 million at a purchase price of \$14.00 per share. The final expiration

date for the Equity Rights Offering occurred on February 20, 2025. On the Effective Date, in connection with the Company Parties' emergence from bankruptcy and in reliance on the exemption from the registration requirements of the Securities Act provided by Section 1145 of the Bankruptcy Code, Spirit closed the ERO, issuing 7,770,054 shares of Common Stock and 13,380,504 Warrants to ERO participants, for aggregate consideration of \$296,107,812. Refer to Note 3, Emergence from Voluntary Reorganization under Chapter 11, for additional information.

The Common Stock and the Warrants are described further below under “—Common Stock” and “—Warrants,” respectively.

Registration Rights Agreement

On the Effective Date, holders of the Common Stock who were party to its Backstop Commitment Agreement became party to the Registration Rights Agreement and are entitled to rights with respect to the registration of certain of their shares of Common Stock under the Securities Act.

Warrants

In connection with the Company's emergence from bankruptcy, on the Effective Date, Spirit entered into two warrant agreements with Equiniti Trust Company, LLC as warrant agent (the “Warrant Agreements”) pursuant to which Spirit issued an aggregate of 24,255,256 Warrants for the Common Stock to certain specified investors, consisting of 3,617,385 Warrants issued under a Tranche 1 Warrant Agreement (“the Tranche 1 Warrants”) and 20,637,871 Warrants issued under a Tranche 2 Warrant Agreement (the “Tranche 2 Warrants”) pursuant to the Plan. Each Warrant entitles the holder to purchase one share of Common Stock for a nominal exercise price of \$0.0001 per Warrant. During the six months ended June 30, 2025, 9.8 million Warrants were exercised and converted into shares of the Company's Common Stock.

Duration and Exercise Price. Each Warrant has an initial exercise price equal to \$0.0001 per share of Common Stock. The Tranche 1 Warrants were immediately exercisable, and the Tranche 2 Warrants are exercisable at any time after the date on which the Common Stock is first listed on a securities exchange, which occurred on April 29, 2025. All Warrants may be exercised at any time until such Warrants are exercised in full. The exercise price and number of shares issuable upon exercise are subject to appropriate proportional adjustment in the event of certain dividends, subdivisions or combinations of the Company's Common Stock, or similar events affecting the Company's Common Stock and the exercise price.

Exercisability. A holder may not exercise any portion of its Warrants to the extent that the holder, together with its affiliates and any other persons acting as a group together with any such persons, would own more than 9.9% of the number of shares of Common Stock outstanding immediately after exercise (the “Beneficial Ownership Limitation”) calculated in accordance with Section 13(d) of the Exchange Act. Upon not less than sixty-one (61) days advance written notice to the Company at any time or from time to time, a holder in its sole discretion, may exempt itself from the Beneficial Ownership Limitation. However, under any circumstance, a holder may not exercise the Warrant if such exercise would cause such holder's beneficial ownership (as defined by Section 13(d) of the Exchange Act) of the Common Stock to exceed 19.9% of its total issued and outstanding Common Stock.

Cashless Exercise. The Warrants may also be exercised, in whole or in part, at such time by means of a “cashless exercise” in which the holder shall be entitled to receive upon such exercise (either in whole or in part) the net number of shares of Common Stock determined according to a formula set forth in the Warrant Agreements.

Fractional Shares. No fractional shares of Common Stock will be issued upon the exercise of the Warrants and no cash will be distributed in lieu of the issuance of such fractional shares. If more than one Warrant is presented for exercise in full at the same time by the same holder, the full number of shares of Common Stock that will be issuable upon the exercise thereof shall be computed on the basis of the aggregate number of shares of Common Stock purchasable on exercise of the Warrants so presented. If any fraction of a share of Common Stock or other security deliverable upon proper exercise of the Warrant (a “Warrant Share”) would, except pursuant to the Warrant, be issuable on the exercise of any Warrants (or specified portion thereof), as applicable, such Warrant Share shall be rounded up to the next highest whole number.

Transferability. Subject to applicable laws, a Warrant may be transferred at the option of the holder upon surrender of the Warrant to Spirit together with the appropriate instruments of transfer and funds sufficient to pay any transfer taxes payable upon such transfer.

Trading Market. There is no trading market available for the Warrants on any securities exchange or nationally recognized trading system. Spirit does not intend to list the Warrants on any securities exchange or nationally recognized trading system.

Rights as a Stockholder. Except as otherwise provided in the Warrants or by virtue of such holder's ownership of shares of Common Stock, the holders of the Warrants do not have the rights or privileges of holders of the Company's Common Stock, including any voting rights, until they exercise their Warrants.

Fundamental Transaction. In the event of a fundamental transaction, as described in the Warrants and generally including any reorganization, recapitalization or reclassification of the shares of Common Stock, the sale, transfer or other disposition of all or substantially all of its properties or assets, the Spirit's consolidation or merger with or into another person, the holders of the Warrants will be entitled to receive upon exercise of the Warrants the kind and amount of securities, cash or other property that the holders would have received had they exercised the Warrants immediately prior to such fundamental transaction.

Rights to Dividends and Distributions on Common Stock. Holders of the Tranche 1 Warrants are entitled to dividends and other distributions on Common Stock that such holder would have received had the Warrants been exercised. Such distributions to holders of Tranche 1 Warrants will be made simultaneously with the distribution to holders of Common Stock. Tranche 2 Warrants are not entitled to dividends and other distributions on Common Stock.

In addition, the Tranche 2 Warrant Agreement provides that the shares of Common Stock issuable upon exercise of Tranche 2 Warrants shall be subject to the limitations on ownership by non-U.S. citizens as set forth in the Charter (as defined below).

Exchange Rights of Holders of Tranche 2 Warrants. Holders of Tranche 2 Warrants may exchange such Tranche 2 Warrants for Tranche 1 Warrants in accordance with the Warrant Agreements.

Accounting Policy. The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC 480, Distinguishing Liabilities from Equity (ASC 480) and ASC 815, Derivatives and Hedging (ASC 815). The assessment considers whether the warrants (i) are freestanding financial instruments pursuant to ASC 480, (ii) meet the definition of a liability pursuant to ASC 480, and (iii) meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own stock and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding. For warrants that meet all criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital, on the condensed consolidated statements of stockholders' deficit at the time of issuance.

The Company concluded that the Warrant Agreements are classified as equity, recorded at fair value upon issuance within the Company's condensed consolidated balance sheets. On the Emergence Date, the Warrants were valued based on the derived Successor Equity Value detailed in Note 4, Fresh Start Accounting, at issuance. Equity-classified contracts are initially measured and recorded at fair value; subsequent changes in fair value are not recognized as long as the contract continues to be classified as equity. The Company recorded \$441.7 million, net of issuance costs, in additional paid-in-capital ("APIC"), related to the fair value of the warrants issued.

Common Stock

Pursuant to the Plan, Spirit amended and restated its certificate of incorporation (the "Charter") and bylaws (the "Bylaws"), each of which became effective on the Effective Date.

The Charter authorizes Spirit to issue up to 400,000,000 shares of Common Stock.

Dividend Rights. Subject to the rights of holders of any series of then outstanding preferred stock and the limitations under the Delaware General Corporation Law ("DGCL"), each holder of Common Stock has equal rights of participation in the dividends in cash, stock, or property of Spirit, when, as and if the Board declare such dividends from time to time out of assets or funds legally available.

Voting Rights. Each holder of the Company's Common Stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. The holders of Common Stock exclusively possess all voting

power; provided, however, that as except as otherwise required by law, holders of Common Stock are not entitled to vote on any amendment to the Charter (or on any amendment to a certificate of designations of any series of preferred stock) that alters or changes the powers, preferences, rights or other terms of one or more outstanding series of preferred stock if the holders of such affected series of preferred stock are entitled to vote, either separately or together with the holders of one or more other such series, on such amendment pursuant to the Charter (or pursuant to a certificate of designations of any series of preferred stock) or pursuant to the DGCL. Spirit's stockholders are not entitled to cumulative voting.

Liquidation. Subject to the rights of holders of any series of then outstanding preferred stock, each holder of Common Stock has equal rights to receive the assets and funds of Spirit available for distribution to stockholders in the event of any liquidation, dissolution, or winding up of the affairs of Spirit, whether voluntary or involuntary.

Rights and Preferences. Holders of Common Stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to Common Stock. The rights, preferences and privileges of the holders of Common Stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of Spirit's preferred stock that Spirit may designate in the future.

Limited Voting by Foreign Owners. To comply with restrictions imposed by federal law on foreign ownership of U.S. airlines, the Charter restricts voting of shares of its capital stock by non-U.S. citizens. The restrictions imposed by federal law currently require that no more than 25% of Spirit's voting stock be voted, directly or indirectly, by persons who are not U.S. citizens, and that its president and at least two-thirds of the members of the Board and senior management be U.S. citizens. The Charter provides that no shares of its capital stock may be voted by or at the direction of non-U.S. citizens unless such shares are registered on a separate stock record, which it refers to as the foreign stock record. The Charter further provides that no shares of its capital stock will be registered on the foreign stock record if the amount so registered would exceed the foreign ownership restrictions imposed by federal law.

9. Earnings (Loss) per Share

The following table sets forth the computation of basic and diluted earnings (loss) per common share (in thousands, except per-share amounts):

| | Successor | Predecessor |
|---|-------------------------------------|-------------------------------------|
| | Three Months Ended June 30, 2025 | Three Months Ended June 30, 2024 |
| Numerator | | |
| Net income (loss) | \$ (245,831) | \$ (192,927) |
| Denominator | | |
| Weighted-average shares outstanding, basic ⁽¹⁾ | 33,972 | 109,506 |
| Effect of dilutive shares | — | — |
| Adjusted weighted-average shares outstanding, diluted | 33,972 | 109,506 |
| Earnings (loss) per share | | |
| Basic earnings (loss) per common share | \$ (7.24) | \$ (1.76) |
| Diluted earnings (loss) per common share | \$ (7.24) | \$ (1.76) |

| | Successor | Predecessor | |
|---|--|--|-----------------------------------|
| | Period from March 13, 2025 through June 30, 2025 | Period from January 1, 2025 through March 12, 2025 | Six Months Ended June 30, 2024 |
| Numerator | | | |
| Net income (loss) | \$ (256,767) | \$ 72,216 | \$ (335,562) |
| Denominator | | | |
| Weighted-average shares outstanding, basic ⁽¹⁾ | 31,505 | 109,525 | 109,468 |
| Effect of dilutive shares | — | — | — |
| Adjusted weighted-average shares outstanding, diluted | 31,505 | 109,525 | 109,468 |
| Earnings (loss) per share | | | |
| Basic earnings (loss) per common share | \$ (8.15) | \$ 0.66 | \$ (3.07) |
| Diluted earnings (loss) per common share | \$ (8.15) | \$ 0.66 | \$ (3.07) |

⁽¹⁾ Weighted-average shares outstanding, basic during the Successor Period includes exercisable warrants, as they meet the criteria under ASC 260 to be considered outstanding common shares.

During the Current Predecessor Period, warrants in connection with the Payroll Support Program to purchase 913,383 shares of common stock were excluded from the computation of diluted EPS because the exercise price was greater than the average market price, making them antidilutive. Anti-dilutive common stock equivalents related to outstanding equity awards were also excluded from the diluted loss per share calculation for any of the periods presented and are not material.

10. Short-term Investment Securities

In June 2025, the Company settled \$120.5 million short-term available-for-sale investment securities. Upon settlement, the proceeds were recorded within cash and cash equivalents on the Company's condensed consolidated balance sheets. The settlement resulted in \$0.1 million of realized losses, which were recognized in interest expense within the Company's condensed consolidated statements of operations. As of June 30, 2025, the Company had no short-term available-for-sale investment securities outstanding. As of December 31, 2024, the Company had \$118.3 million in short-term available-for-sale investment securities.

11. Other Current Liabilities

Other current liabilities as of June 30, 2025 and December 31, 2024 consisted of the following (in thousands):

| | Successor | Predecessor |
|---|-------------------|-------------------|
| | June 30, 2025 | December 31, 2024 |
| Salaries, wages and benefits | \$ 171,778 | \$ 187,626 |
| Federal excise and other passenger taxes and fees payable | 113,958 | 110,141 |
| Airport obligations | 75,847 | 66,518 |
| Aircraft maintenance | 74,665 | 103,133 |
| Interest payable | 33,658 | 26,780 |
| Aircraft and facility lease obligations | 29,097 | 23,926 |
| Fuel | 4,519 | 5,202 |
| Backstop premium obligation | — | 35,000 |
| Other | 34,034 | 47,513 |
| Other current liabilities | <u>\$ 537,556</u> | <u>\$ 605,839</u> |

12. Leases

The Company leases aircraft, engines, airport terminals, maintenance and training facilities, aircraft hangars, commercial real estate, and office and computer equipment, among other items. Certain of these leases include provisions for variable lease payments which are based on several factors, including, but not limited to, relative leased square footage, enplaned passengers, and airports' annual operating budgets. Due to the variable nature of the rates, these leases are not recorded on the Company's condensed consolidated balance sheets as a right-of-use asset and lease liability. Lease terms are generally 4 years to 18 years for aircraft and up to 99 years for other leased equipment and property.

During the six months ended June 30, 2025, the Company took delivery of three aircraft under sale leaseback transactions and one under direct operating lease. In addition, earlier in the third quarter of 2025, the Company completed sale leaseback transactions involving 14 previously owned spare engines.

As of June 30, 2025, the Company had a fleet consisting of 215 A320 family aircraft. As of June 30, 2025, the Company had 148 aircraft financed under operating leases with lease term expirations between 2026 and 2043. In addition, the Company owned 49 aircraft, of which none were unencumbered, as of June 30, 2025. The Company also had 18 aircraft that would have been deemed finance leases resulting in failed sale leaseback transactions. The related finance obligation is recorded within long-term debt in the Company's condensed consolidated balance sheets. Refer to Note 15, Debt and Other Obligations for additional information. The related asset is recorded within flight equipment in the Company's condensed consolidated balance sheets. As of June 30, 2025, the Company also had 5 spare engines financed under operating leases with lease term expiration dates ranging from 2025 to 2033 and owned 32 spare engines, of which none were unencumbered, as of June 30, 2025.

Aircraft rent expense consists of monthly lease rents for aircraft and spare engines under the terms of the Company's aircraft and spare engine lease agreements recognized on a straight-line basis. Supplemental rent, recorded within aircraft rent expense, is primarily made up of probable and estimable return condition obligations and lease return cost adjustments related to lease modifications and aircraft and engines purchased off lease.

Under the terms of the lease agreements, the Company will continue to operate and maintain the aircraft. Payments under the majority of the lease agreements are fixed for the term of the lease. The lease agreements contain standard termination events, including termination upon a breach of the Company's obligations to make rental payments and upon any other material breach of the Company's obligations under the leases, and standard maintenance and return condition provisions. These return provisions are evaluated at inception of the lease and throughout the lease terms and are accounted for as either fixed or variable lease payments (depending on the nature of the lease return condition) when it is probable that such amounts will be incurred. When determining probability and estimated cost of lease return obligations, there are various other factors that need to be considered, such as the contractual terms of the lease, the ability to swap engines or other aircraft components, current condition of the aircraft, the age of the aircraft at lease expiration, utilization of engines and other components, the extent of repairs needed at return, return locations, current configuration of the aircraft and cost of repairs and materials at the time of return. Management assesses the factors listed above and the need to accrue lease return costs throughout the lease as facts and circumstances warrant an assessment. The Company expects lease return costs will increase as individual aircraft lease

agreements approach their respective termination dates and the Company begins to accrue the estimated cost of return conditions for the corresponding aircraft. Upon a termination of the lease due to a breach by the Company, the Company would be liable for standard contractual damages, possibly including damages suffered by the lessor in connection with remarketing the aircraft or while the aircraft is not leased to another party.

As of June 30, 2025, the Company's finance lease obligations primarily related to the lease of office equipment. Payments under these finance lease agreements are generally fixed for terms of five years. Finance lease assets are recorded within property and equipment and the related liabilities are recorded within long-term debt and finance leases in the Company's condensed consolidated balance sheets.

The following table provides details of the Successor's future minimum lease payments under finance lease liabilities and operating lease liabilities recorded on the Company's condensed consolidated balance sheets as of June 30, 2025. The table does not include commitments that are contingent on events or other factors that are currently uncertain or unknown.

| | | Operating Leases | | Total Operating and Finance Lease Obligations |
|--|----------------|--|-----------------------------|--|
| | Finance Leases | Aircraft and Spare Engine Leases | Property Facility Leases | |
| | (in thousands) | | | |
| Remainder of 2025 | \$ 110 | \$ 290,154 | \$ 2,420 | \$ 292,684 |
| 2026 | 141 | 558,340 | 4,939 | 563,420 |
| 2027 | 93 | 542,387 | 4,140 | 546,620 |
| 2028 | 67 | 521,615 | 2,757 | 524,439 |
| 2029 | 5 | 506,403 | 2,132 | 508,540 |
| 2030 and thereafter | — | 5,103,074 | 141,637 | 5,244,711 |
| Total minimum lease payments | \$ 416 | \$ 7,521,973 | \$ 158,025 | \$ 7,680,414 |
| Less amount representing interest | 37 | 3,077,031 | 134,502 | 3,211,570 |
| Present value of minimum lease payments | \$ 379 | \$ 4,444,942 | \$ 23,523 | \$ 4,468,844 |
| Less current portion | 181 | 235,446 | 4,187 | 239,814 |
| Long-term portion | \$ 198 | \$ 4,209,496 | \$ 19,336 | \$ 4,229,030 |

Commitments related to the Company's noncancellable short-term operating leases not recorded on the Company's condensed consolidated balance sheets are expected to be \$2.2 million for the remainder of 2025 and none for 2026 and beyond.

The table below presents information for lease costs related to the Successor and Predecessor's finance and operating leases:

| | Successor | Predecessor |
|-------------------------------|-------------------------------------|-------------------------------------|
| | Three Months Ended June 30, 2025 | Three Months Ended June 30, 2024 |
| | (in thousands) | |
| Finance lease cost | | |
| Amortization of leased assets | \$ 48 | \$ 78 |
| Interest of lease liabilities | 6 | 9 |
| Operating lease cost | | |
| Operating lease cost (1) | 141,964 | 124,703 |
| Short-term lease cost (1) | 1,410 | 10,975 |
| Variable lease cost (1) | 61,735 | 58,629 |
| Total lease cost | \$ 205,163 | \$ 194,394 |

(1) Expenses are classified within aircraft rent and landing fees and other rents on the Company's condensed consolidated statements of operations.

| | Successor | Predecessor | Predecessor |
|-------------------------------|---|---|-----------------------------------|
| | Period from March 13, 2025 through June 30, 2025 | Period from January 1, 2025 through March 12, 2025 | Six Months Ended June 30, 2024 |
| | (in thousands) | | |
| Finance lease cost | | | |
| Amortization of leased assets | \$ 58 | \$ 38 | \$ 152 |
| Interest of lease liabilities | 8 | 5 | 17 |
| Operating lease cost | | | |
| Operating lease cost (1) | 171,634 | 114,508 | 241,866 |
| Short-term lease cost (1) | 8,441 | 5,574 | 21,137 |
| Variable lease cost (1) | 77,163 | 55,750 | 113,529 |
| Total lease cost | \$ 257,304 | \$ 175,875 | \$ 376,701 |

(1) Expenses are classified within aircraft rent and landing fees and other rents on the Company's condensed consolidated statements of operations.

The table below presents lease terms and discount rates related to the Company's finance and operating leases:

| | Successor | Predecessor |
|--|---------------|---------------|
| | June 30, 2025 | June 30, 2024 |
| Weighted-average remaining lease term | | |
| Operating leases | 14.8 years | 15.0 years |
| Finance leases | 2.6 years | 3.2 years |
| Weighted-average discount rate | | |
| Operating leases | 7.83 % | 7.05 % |
| Finance leases | 6.18 % | 5.65 % |

13. Commitments, Contingencies and Other Contractual Arrangements

Aircraft-Related Commitments and Financing Arrangements

The Company's contractual purchase commitments consist primarily of aircraft and engine acquisitions through manufacturers and aircraft leasing companies.

As of June 30, 2025, the Company's total firm aircraft orders consisted of 52 A320 family aircraft with Airbus, including A320neos and A321neos, with deliveries expected from 2029 through 2031. As of June 30, 2025, the Company did not have financing commitments in place for the 52 Airbus aircraft on firm order. The contractual purchase amounts for all aircraft orders from Airbus as of June 30, 2025 are included within the purchase commitments below.

During the third quarter of 2021, the Company entered into an Engine Purchase Support Agreement that requires the Company to purchase a certain number of spare engines in order to maintain a contractual ratio of spare engines to aircraft in the fleet. As of June 30, 2025, the Company is committed to purchase 16 PW1100G-JM spare engines, with deliveries through 2031.

As of June 30, 2025, purchase commitments for the Company's aircraft and engine orders, including estimated amounts for contractual price escalations and pre-delivery payments, were expected to be \$18.0 million for the remainder of 2025, \$12.3 million in 2026, \$183.0 million in 2027, \$297.8 million in 2028, \$1,124.3 million in 2029 and \$1,857.8 million in 2030 and beyond.

During the third quarter of 2019, the United States announced its decision to levy tariffs on certain imports from the European Union, including commercial aircraft and related parts. These tariffs include aircraft and other parts that the Company is already contractually obligated to purchase including those reflected above. In June 2021, the United States Trade Representative announced that the United States and European Union had agreed to suspend reciprocal tariffs on large civilian aircraft for up to five years, pending discussions to resolve their trade dispute. This suspension was withdrawn by the United States on April 2, 2025, and aircraft and parts from the European Union were subject to the same tariffs as other imports.

On July 28, 2025, the United States and the European Union agreed on the terms of a new tariff agreement, under which tariffs on large civilian aircraft and components would again be suspended and returned to zero.

The current U.S. Administration continues to negotiate tariffs with various countries which may lead to expanding the scope of tariffs and significantly increasing the rates on goods imported into the United States. In response, foreign governments have imposed, and are expected to impose, retaliatory tariff measures against the United States.

These or additional changes in U.S. or international trade policies, along with continued uncertainty surrounding such policies, could lead to further weakened business conditions for the transportation industry, which may adversely impact the Company's operations through increased supply chain challenges, commodity price volatility and a decline in discretionary spending and consumer confidence, among others. The Company continues to monitor the situation.

In addition to the Airbus Purchase Agreement, as of June 30, 2025, the Company had agreements in place for 36 A320neos and A321neos to be financed through direct leases with a third-party lessor with deliveries scheduled in 2027 and 2028. As of June 30, 2025, aircraft rent commitments for future aircraft deliveries to be financed under direct leases from third-party lessors were expected to be none for the remainder of 2025, none in 2026, approximately \$63.5 million in 2027, \$162.3 million in 2028, \$210.3 million in 2029 and \$2,087.3 million in 2030 and beyond.

Interest commitments related to the secured debt financing of 67 aircraft as of June 30, 2025 were \$44.1 million for the remainder of 2025, \$80.3 million in 2026, \$69.0 million in 2027, \$50.1 million in 2028, \$35.3 million in 2029 and \$106.6 million in 2030 and beyond. As of June 30, 2025, interest commitments related to the Company's unsecured term loans were \$1.7 million for the remainder of 2025, \$3.4 million in 2026, \$3.4 million in 2027, \$3.4 million in 2028, \$3.4 million in 2029, and \$3.7 million in 2030 and beyond. As of June 30, 2025, interest commitments related to the Company's Exit Secured Notes were \$34.5 million for the remainder of 2025 \$70.5 million in 2026, \$73.3 million in 2027, \$76.3 million in 2028, \$79.4 million in 2029, and \$24.2 million in 2030 and beyond. For principal commitments related to the Company's debt financing, refer to Note 15, Debt and Other Obligations.

Other Commitments

The Company is contractually obligated to pay the following minimum guaranteed payments for its reservation system and other miscellaneous subscriptions and services as of June 30, 2025: \$26.6 million for the remainder of 2025, \$40.4 million in 2026, \$33.1 million in 2027, \$7.1 million in 2028, \$1.9 million in 2029 and \$3.7 million in 2030 and thereafter. The Company's reservation system contract expires in 2028.

Other Contractual Arrangements

On July 25, 2023, RTX Corporation, the parent company of Pratt & Whitney, announced that it had determined that a rare condition in the powdered metal used to manufacture certain engine parts will require accelerated inspection of the PW 1100G-JM geared turbo fan ("GTF") fleet, which powers the Company's A320neo family of aircraft. As a result, the Company removed GTF engines from service and grounded some of its A320neo aircraft for inspection requirements.

On June 4, 2025, the Company entered into an agreement (the "Agreement") with International Aero Engines, LLC ("IAE"), an affiliate of Pratt & Whitney, pursuant to which IAE will provide the Company with a monthly credit, subject to certain conditions, as compensation for each of the Company's aircraft unavailable for operational service due to GTF engine issues from January 1, 2025 through December 31, 2025. The credits are accounted for as vendor consideration in accordance with ASC 705-20 and are recognized as a reduction of the purchase price of the goods or services acquired from IAE during the period, which may include the purchase of maintenance, spare engines and short-term rentals of spare engines, based on an allocation that corresponds to the Company's progress towards earning the credits.

As of June 30, 2025, Pratt & Whitney issued the Company \$72.4 million in credits related to the aircraft on ground ("AOG") days through June 30, 2025. During the three months ended June 30, 2025, the Company recorded \$38.1 million of credits as a reduction in the cost basis of assets purchased from IAE within flight equipment and deferred heavy maintenance, net on the Company's condensed consolidated balance sheets and \$14.3 million in credits on the Company's condensed consolidated statements of operations within maintenance, materials and repairs and aircraft rent expenses. In addition, during the three months ended June 30, 2025, the Successor Period, and the Current Predecessor Period, the Company recognized lower depreciation and amortization expense of \$6.0 million, \$7.2 million, and \$6.1 million, respectively, related to credits recognized, under the 2024 and 2025 Agreements with IAE, as a reduction of the cost basis of assets purchased from IAE recorded within the Company's condensed consolidated statements of operations.

The difference remaining between the amount of credits Pratt & Whitney issued and the amount the Company has recognized will be recognized in the future as reductions in the cost basis of goods and services purchased from Pratt & Whitney. The temporary removal of GTF engines from service is expected to continue through at least 2026.

Litigation and Assessments

The Company is subject to commercial litigation claims and to administrative and regulatory proceedings and reviews that may be asserted or maintained from time to time. The Company believes the ultimate outcome of such lawsuits, proceedings and reviews will not, individually or in the aggregate, have a material adverse effect on its financial position, liquidity or results of operations. In making a determination regarding accruals, using available information, the Company evaluates the likelihood of an unfavorable outcome in legal or regulatory proceedings and assessments to which the Company is a party and records a loss contingency when it is probable a liability has been incurred and the amount of the loss can be reasonably estimated. These subjective determinations are based on the status of such legal or regulatory proceedings, the merits of the Company's defenses, and consultation with legal counsel. Actual outcomes of these legal and regulatory proceedings may materially differ from the Company's current estimates. It is possible that the resolution of one or more of the legal matters currently pending or threatened could result in losses material to the Company's condensed consolidated results of operations, liquidity or financial condition.

Following an audit by the Internal Revenue Service ("IRS") related to the collection of federal excise taxes on optional passenger seat selection charges covering the period of the second quarter of 2018 through the fourth quarter of 2020, on March 31, 2022, the Company was assessed \$34.9 million. On July 19, 2022, the assessment was reduced to \$27.5 million. The Company believes it has defenses available and has informed the IRS that it is challenging the assessment. The Company believes a loss in this matter is not probable and has not recognized a loss contingency.

Credit Card Processing Arrangements

The Company has agreements with organizations that process credit card transactions arising from the purchase of air travel, baggage charges and other ancillary services by customers. As is standard in the airline industry, the Company's contractual arrangements with credit card processors permit them, under certain circumstances, to retain a holdback or other collateral, when future air travel and other future services are purchased via credit card transactions. The required holdback is the portion of the Company's overall credit card sales that its credit card processors hold to cover refunds to customers if the Company fails to fulfill its flight obligations.

Except as described below, the Company's credit card processors do not require the Company to maintain cash collateral, provided that the Company satisfies certain liquidity and other financial covenants. Failure to meet these covenants would provide the processors with the right to put in place a holdback resulting in a commensurate reduction of unrestricted cash. As of June 30, 2025 and December 31, 2024, the Company's credit card processors were holding back no remittances.

The maximum potential exposure to cash holdbacks by the Company's credit card processors, based upon advance ticket sales and Spirit Saver\$ Club[®] memberships as of June 30, 2025 and December 31, 2024, was \$491.6 million and \$469.2 million, respectively.

On July 2, 2024, the Company entered into a letter agreement that modified its existing primary credit card processing agreement to, among other things, extend the term until December 31, 2025, including automatic extensions for two successive one-year terms. However, the renewal of the agreement is subject to the right of either party to opt out of any extension term by written notice to the other within a specified period of time prior to the commencement of any extension term. Based on the terms of the agreement, in July 2024, the Company deposited \$200.0 million into a deposit account and deposited \$50.0 million into a restricted account. The \$200.0 million deposited into the deposit account is considered a compensating balance arrangement that does not legally restrict the Company's use of this cash. As such, the balance of the deposit account is included in cash and cash equivalents within the Company's condensed consolidated balance sheets, and the \$50.0 million in the restricted account is included in restricted cash within the Company's condensed consolidated balance sheets going forward. As of June 30, 2025 and 2024, the Company was in compliance with the liquidity and other financial covenants in this credit card processing agreement.

Additionally, the Company provided a \$25.0 million deposit to a credit card processor recorded within deposits and other current assets in its condensed consolidated balance sheets.

Employees

The Company has six union-represented employee groups that together represented approximately 83% of all employees as of June 30, 2025. The table below sets forth the Company's employee groups and status of the CBAs.

| Employee Groups | Representative | Amendable Date ⁽¹⁾ | Percentage of Workforce |
|----------------------------------|---|-------------------------------|-------------------------|
| Pilots | Air Line Pilots Association, International ("ALPA") ⁽²⁾ | March 2024 | 26% |
| Flight Attendants | Association of Flight Attendants ("AFA-CWA") | January 2026 | 44% |
| Dispatchers | Professional Airline Flight Control Association ("PAFCA") | August 2026 | 1% |
| Ramp Service Agents | International Association of Machinists and Aerospace Workers ("IAMAW") | November 2026 | 4% |
| Passenger Service Agents | Transport Workers Union of America ("TWU") | February 2027 | 3% |
| Aircraft Maintenance Technicians | Aircraft Mechanics Fraternal Association ("AMFA") ⁽²⁾ | N/A ⁽²⁾ | 5% |

⁽¹⁾ Subject to standard early opener provisions.

⁽²⁾ CBA is currently under negotiation.

In August 2022, the Company's aircraft maintenance technicians ("AMTs") voted to be represented by AMFA as their collective bargaining agent. In May 2024, the parties began negotiations with a National Mediation Board ("NMB"), and those discussions are ongoing. As of June 30, 2025, the Company had approximately 558 AMTs.

In March 2024, ALPA provided notice to the Company that it intends to amend its CBA with its pilots. In July 2024, the parties began negotiations, and those discussions are ongoing.

During the Current Predecessor Period, the Company furloughed approximately 200 pilots to align with its projected flight volume for 2025 and recorded \$0.9 million in expenses related to these furloughs. These expenses were recorded within salaries, wages and benefits on the Company's condensed consolidated statements of operations. In addition, as part of the Company's ongoing efforts to optimize and enhance efficiencies, it made the decision to eliminate approximately 200 positions from various departments. The Company recorded \$1.8 million in expenses related to these efforts during the Current Predecessor Period. These expenses were recorded within salaries, wages and benefits on the Company's condensed consolidated statements of operations.

Furthermore, to continue our ongoing efforts to optimize and enhance efficiencies, in July 2025, the Company announced that it will downgrade approximately 140 Captains to First Officers and furlough approximately 270 pilots, effective October 1, 2025 and November 1, 2025, respectively to align with its projected flight volume for 2026.

14. Fair Value Measurements

Under ASC 820, "Fair Value Measurements and Disclosures," disclosures relating to how fair value is determined for assets and liabilities are required, and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs, as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company utilizes several valuation techniques in order to assess the fair value of the Company's financial assets and liabilities.

Long-Lived Assets Impairment Analysis

The Company records impairment charges on long-lived assets used in operations when events and circumstances indicate that the assets may be impaired, the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets, and the net book value of the assets exceeds their estimated fair value.

The Company has determined that indicators of potential impairment, including negative cash flows, were present as of June 30, 2025. These indicators prompted the Company to perform a recoverability analysis on its assets to assess whether any impairment losses should be recognized. In estimating the undiscounted future cash flows, the Company uses certain assumptions, including, but not limited to, the estimated, undiscounted future cash flows expected to be generated by these assets, estimates of length of service the asset will be used in the Company's operations and estimated salvage values. The Company assessed whether any impairment of its long-lived assets existed as of June 30, 2025 and has determined that the assets are recoverable.

The Company's assumptions about future conditions important to its assessment of potential impairment of its long-lived assets are subject to uncertainty, and the Company will continue to monitor these conditions in future periods as new information becomes available and will update its analyses accordingly.

Indefinite-Lived Intangible Assets

With the adoption of fresh start accounting, the Company recorded \$83.5 million of indefinite-lived intangible assets within intangible assets on the Company's condensed consolidated balance sheet as of the Fresh Start Reporting Date. The Company's indefinite-lived intangible assets are related to landing and take-off rights and authorizations (Slots) at the LaGuardia Airport ("LGA").

These indefinite-lived intangible assets are assessed for impairment annually in September, or more frequently if events or circumstances indicate that the fair values of indefinite-lived intangible assets may be lower than their carrying values. As of June 30, 2025, the Company has not identified any such events or circumstances that would indicate the fair value of the LGA Slots is below their carrying value. Indefinite-lived intangible assets are assessed for impairment by initially performing a qualitative assessment. The Company primarily relies on a quantitative approach to assess impairment, using fair value estimates provided annually by an independent third-party specialist. The specialist applies a market approach to determine fair value, which relies on recent slot transaction data, market lease rates, and input from industry participants and regulatory agencies. Slot values are further adjusted based on factors such as time-of-day, peak demand, and qualitative considerations. These valuations reflect market participant assumptions and are used to determine whether it is more likely than not that the fair value of the Slots is less than their carrying amount.

Long-Term Debt

The estimated fair value of the Company's term loan debt agreements and revolving credit facility have been determined to be Level 3, as certain inputs used to determine the fair value of these agreements are unobservable. The Company utilizes a discounted cash flow method to estimate the fair value of the Level 3 long-term debt. The estimated fair value of the Company's Exit Secured Notes and publicly and non-publicly held EETC debt agreements has been determined to be Level 2, as the Company utilizes quoted market prices in markets with low trading volumes to estimate the fair value of its Level 2 long-term debt.

The carrying amounts and estimated fair values of the Company's long-term debt at June 30, 2025 and December 31, 2024 were as follows (in millions):

| | Successor | | Predecessor | | Fair Value Level Hierarchy |
|--|-------------------|----------------------|-------------------|----------------------|----------------------------|
| | June 30, 2025 | | December 31, 2024 | | |
| | Carrying Value | Estimated Fair Value | Carrying Value | Estimated Fair Value | |
| DIP term loans | \$ — | \$ — | \$ 309.0 | \$ 309.0 | Level 3 |
| Fixed-rate term loans | 880.2 | 848.1 | 972.2 | 970.7 | Level 3 |
| Unsecured term loans | 136.3 | 135.2 | 136.3 | 130.4 | Level 3 |
| 2015-1 EETC Class A | 223.6 | 203.7 | 234.6 | 215.8 | Level 2 |
| 2017-1 EETC Class AA | 154.3 | 131.8 | 160.3 | 140.4 | Level 2 |
| 2017-1 EETC Class A | 51.4 | 42.7 | 53.4 | 45.8 | Level 2 |
| 2017-1 EETC Class B | — | — | 44.7 | 40.5 | Level 2 |
| 2025-1 EETC Class B | 215.0 | 196.8 | — | — | Level 2 |
| Revolving credit facility | — | — | 300.0 | 300.0 | Level 3 |
| Exit secured notes | 850.3 | 614.5 | — | — | Level 2 |
| Total long-term debt | \$ 2,511.1 | \$ 2,172.8 | \$ 2,210.5 | \$ 2,152.6 | |
| 8.00% senior secured notes | \$ — | \$ — | \$ 1,110.0 | \$ 1,117.9 | Level 3 |
| 4.75% convertible notes due 2025 | — | — | 25.1 | 8.8 | Level 2 |
| 1.00% convertible notes due 2026 | — | — | 500.0 | 166.4 | Level 2 |
| Total liabilities subject to compromise | \$ — | \$ — | \$ 1,635.1 | \$ 1,293.1 | |

Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2025 and December 31, 2024 were comprised of liquid money market funds and cash and are categorized as Level 1 instruments. The Company maintains cash with various high-quality financial institutions.

Restricted Cash

Restricted cash is comprised of cash held in accounts subject to account control agreements or otherwise pledged as collateral against the Company's letters of credit and is categorized as a Level 1 instrument. In addition, as of June 30, 2025, the Company had \$48.7 million in standby letters of credit secured by \$49.6 million of restricted cash, of which \$44.4 million were issued letters of credit. The Company also had \$50.0 million of restricted cash held in an account subject to a control agreement under its credit card processing agreement, \$46.5 million of restricted cash held in accounts subject to control agreements to be used for the payment of interest and fees on the Exit Secured Notes and \$6.0 million in pledged cash pursuant to its corporate credit cards.

Assets Held for Sale

The Company's assets held for sale as of June 30, 2025 primarily consisted of the 21 A320ceo and A321ceo aircraft planned for future sales. Currently, these aircraft are not being utilized within the operation and are available for immediate sale. The assets are measured at the lower of the carrying amount or fair value, less cost to sell and a loss is recognized for any initial adjustment of the asset's carrying amount to fair value, less cost to sell. Such valuations include estimations of fair values and incremental direct costs to transact a sale. The fair values were determined using Level 3 fair value inputs primarily based on the agreed upon sales price for each aircraft.

Assets and liabilities measured at gross fair value on a recurring basis are summarized below (in millions):

| Successor Fair Value Measurements as of June 30, 2025 | | | | |
|---|-------------------|-------------------|-------------|-----------------|
| | Total | Level 1 | Level 2 | Level 3 |
| Cash and cash equivalents | \$ 407.5 | \$ 407.5 | \$ — | \$ — |
| Restricted cash | 152.1 | 152.1 | — | — |
| Short-term investment securities | — | — | — | — |
| Assets held for sale | 449.1 | — | — | 449.1 |
| Total assets | <u>\$ 1,008.7</u> | <u>\$ 559.6</u> | <u>\$ —</u> | <u>\$ 449.1</u> |
| | | | | |
| Total liabilities | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> |
| | | | | |
| Predecessor Fair Value Measurements as of December 31, 2024 | | | | |
| | Total | Level 1 | Level 2 | Level 3 |
| Cash and cash equivalents | \$ 902.1 | \$ 902.1 | \$ — | \$ — |
| Restricted cash | 168.4 | 168.4 | — | — |
| Short-term investment securities | 118.3 | 118.3 | — | — |
| Assets held for sale | 463.0 | — | — | 463.0 |
| Total assets | <u>\$ 1,651.8</u> | <u>\$ 1,188.8</u> | <u>\$ —</u> | <u>\$ 463.0</u> |
| | | | | |
| Total liabilities | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> |

The Company had no transfers of assets or liabilities between any of the above levels during the six months ended June 30, 2025 and the year ended December 31, 2024.

15. Debt and Other Obligations

Exit Revolving Credit Facility

On the Emergence Date, the Company entered into an Amended and Restated Credit and Guaranty Agreement with the lenders under its former revolving credit facility due in 2026. This agreement modified certain terms and conditions of the existing facility, resulting in a new revolving credit facility of up to \$300.0 million (the “Exit Revolving Credit Facility”). Concurrently, Spirit Airlines repaid in full the outstanding balance of \$300.0 million under the former revolving credit facility due in 2026.

The Exit Revolving Credit Facility is comprised of (i) commitments by the Exit RCF Lenders to provide revolving credit loans and letters of credit in an aggregate amount equal to \$275.0 million (the “Exit RCF Commitments”) and (ii) an uncommitted incremental revolving credit facility in an aggregate amount up to \$25.0 million. The Exit Revolving Credit Facility constitutes Spirit Airlines' senior secured obligations and is guaranteed by each of Spirit Airlines' direct and indirect subsidiaries. In addition, in connection with the Corporate Reorganization, Spirit became a guarantor under the Exit Revolving Credit Agreement. As of June 30, 2025, the Exit Revolving Credit Facility was undrawn and had available capacity of \$275.0 million. The Company's uses of the proceeds of the Exit Revolving Credit Facility shall include, among other items, working capital and other general corporate needs of the Company and its subsidiaries.

The Exit Revolving Credit Facility is secured by first-priority and second-priority security interests and liens on certain of Spirit Airlines' and its subsidiaries' assets, including, among other things, (i) certain take-off and landing rights at LaGuardia Airport, (ii) certain eligible aircraft spare parts and ground support equipment and (iii) certain aircraft, spare engines and flight simulators. The Exit Revolving Credit Facility will mature on March 12, 2028. The revolving loans borrowed under the Exit Revolving Credit Facility will bear interest at a variable rate per annum equal to the Company's choice of (i) Adjusted Term SOFR plus 3.25% per annum or (ii) Alternate Base Rate plus 2.25% per annum. The commitment amount of \$275.0 million will be reduced to \$250.0 million on September 30, 2026.

The Exit Revolving Credit Facility contains customary covenants that, among other things, restrict Spirit Airlines' ability and the ability of its subsidiaries to, among other things, make restricted payments, incur additional indebtedness, create certain liens on the collateral, sell or otherwise dispose of the collateral, engage in certain transactions with affiliates and consolidate, merge, sell or otherwise dispose of all or substantially all of Spirit Airlines' and its subsidiaries' assets. The Exit Revolving Credit Facility also requires the Company to, among other things, maintain (i) so long as any loans or letters of credit are outstanding under the Exit Revolving Credit Facility, unrestricted cash, cash equivalents, short-term investment securities and unused commitments available under all revolving credit facilities (including the Exit Revolving Credit Facility) aggregating not less than \$500.0 million, of which no more than \$300.0 million may be derived from unused commitments under the Exit Revolving Credit Facility, (ii) a minimum ratio of the borrowing base of the collateral under the Exit Revolving Credit Facility to outstanding obligations under the Exit Revolving Credit Facility of not less than 1.0 to 1.0 (if the Company does not meet the minimum collateral coverage ratio, it must either provide additional collateral to secure its obligations under the Exit Revolving Credit Facility or repay the loans thereunder by an amount necessary to maintain compliance with the collateral coverage ratio), and (iii) the pledged take-off and landing rights of the Company at LaGuardia Airport, a specified number of spare engines and the Company's spare parts (subject to certain exceptions) in the collateral under the Exit Revolving Credit Facility so long as any loans or letters of credit are outstanding under the Existing Revolving Credit Facility.

Exit Secured Notes

On the Effective Date, certain subsidiaries of Spirit Airlines (the "Co-Issuers") issued \$840.0 million in aggregate principal amount of PIK toggle senior secured notes due 2030 (the "2030 Notes" or the "Exit Secured Notes"). The 2030 Notes were issued in a private offering to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) and to institutional "accredited investors" (as defined in Regulation D of the Securities Act) and outside the United States to non-U.S. persons pursuant to Regulation S. The 2030 Notes are the Co-Issuers' senior secured obligations and are guaranteed on a senior secured basis by Spirit Airlines and each of its direct and indirect subsidiaries existing on the Effective Date or subsequently acquired and/or formed subsidiaries. In addition, in connection with the Corporate Reorganization, Spirit became a guarantor of the 2030 Notes. The 2030 Notes are secured by second-priority liens on certain Exit Revolving Credit Facility priority collateral (including the collateral under the Exit Revolving Credit Facility described in Note 15 above), and a first-priority lien on all other collateral. The 2030 Notes will mature on March 12, 2030, subject to earlier repurchase or redemption in accordance with the terms of the Indenture (as defined below). The 2030 Notes bear interest, at the option of Spirit Airlines, (i) at 12.00% per annum, of which 8.00% per annum shall be payable in cash and 4.00% per annum shall be payable in-kind or (ii) at 11.00% per annum payable in cash, in each case, in arrears on a quarterly basis. Interest is calculated on the basis of a 360-day year composed of twelve 30-day months.

On or before March 12, 2027, the 2030 Notes are redeemable by the Co-Issuers, in whole or in part, at a redemption price equal to 100.00% of the principal amount of the 2030 Notes redeemed, plus a "make-whole" premium, plus accrued and unpaid interest, if any, to the date of redemption.

At any time after March 12, 2027 but on or prior to March 12, 2028, Spirit Airlines may redeem the 2030 Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2030 Notes redeemed, plus accrued and unpaid interest to the redemption date, plus a 6.0% premium. Thereafter, Spirit Airlines may redeem the 2030 Notes in whole or in part, at par, plus accrued and unpaid interest to the redemption date.

Notwithstanding the foregoing, (x) at any time on or prior to the date that is ninety (90) days after the Effective Date, the Co-Issuers may redeem the 2030 Notes, at their option, in whole, at a redemption price equal to 100% of the principal amount of the 2030 Notes redeemed, plus accrued and unpaid interest to the redemption date, plus an 8.0% premium and (y) upon or after the consummation of certain transactions involving acquisitions by a publicly traded airline, the Co-Issuers may redeem the 2030 Notes at their option, in whole, at a redemption price equal to 100% of the principal amount of the 2030 Notes redeemed, plus accrued and unpaid interest to the redemption date, plus an amount equal to the lesser of (A) a 4.0% premium and (B) the then-applicable redemption premium.

The 2030 Notes and guarantees were issued pursuant to an indenture by and among Spirit Airlines, the Co-Issuers, the subsidiary guarantors and Wilmington Trust, National Association, as trustee (the "Trustee") and collateral custodian, referred to herein as the Indenture. The Indenture contains customary covenants that, among other things, restrict Spirit Airlines' ability and the ability of its subsidiaries to, among other things, make restricted payments, incur additional indebtedness, create certain liens on the collateral, sell or otherwise dispose of the collateral, engage in certain transactions with affiliates and consolidate, merge, sell or otherwise dispose of all or substantially all of Spirit Airlines' and its subsidiaries' assets. In addition, the Indenture requires that Spirit Airlines maintain unrestricted cash, cash equivalents, short-term investment securities and unused commitments available under all revolving credit facilities (including the Exit Revolving Credit Facility) aggregating not less

than \$450.0 million, of which no more than \$300.0 million may be derived from unused commitments under the Exit Revolving Credit Facility.

In connection with the Corporate Reorganization, Spirit entered into a supplemental indenture, by and among the Co-Issuers, Spirit and the Trustee, to the Indenture pursuant to which Spirit guaranteed the 2030 Notes.

EETC

On March 31, 2025, the Company completed a private offering of Class B(R) Pass Through Certificates, Series 2025-1B(R) (the “Class B(R) Certificates”), in the aggregate face amount of \$215 million, the proceeds of which were used to acquire new equipment notes to be issued by the Company. During the second quarter of 2025, the Company used the proceeds from the issuance to repay \$43.0 million outstanding related to its existing “Series B” equipment notes issued under the 2017-1 pass through certificates, pay transaction fees, and for general corporate purposes.

The Class B(R) Certificates will represent an interest in the assets of a pass through trust (the “Class B(R) Trust”), which will hold certain newly issued equipment notes, designated as “Series B(R)” to be issued by the Company (the “Series B(R) Equipment Notes”). The Series B(R) Equipment Notes are secured by 27 Airbus A320 family aircraft originally delivered new to the Company between October 2015 and October 2018.

The Series B(R) Equipment Notes will have an interest rate of 11.00% per annum. The interest on the issued and outstanding Series B(R) Equipment Notes is payable semi-annually, and principal payments on the issued and outstanding Series B(R) Equipment Notes are scheduled for payment in certain years, and interest and principal payments on the Series B(R) Equipment Notes will be distributed to holders of the Class B(R) Certificates on each April 1 and October 1, commencing October 1, 2025, and the final distribution of the outstanding principal amount of the Series B(R) Equipment Notes to holders of the Class B(R) Certificates is expected on February 15, 2030. The Class B(R) Certificates will rank junior to the outstanding pass through certificates that were previously issued under each of the Spirit Airlines Series 2015-1 (Class A) and Series 2017-1 (Class AA and Class A) pass through certificates.

DIP Credit Agreement and Facility

On December 23, 2024, in connection with the Chapter 11 Cases, the Company entered into a Superpriority Secured Debtor In Possession Term Loan Credit and Note Purchase Agreement, (the “DIP Credit Agreement”), with Wilmington Savings Fund Society, FSB, as administrative agent and collateral agent (the “Agent”) and the creditors from time to time party thereto (collectively, the “DIP Creditors”).

Under the DIP Credit Agreement, the DIP Creditors provided an aggregate principal amount of \$300.0 million (excluding fees of \$9.0 million, which were paid in kind in the form of additional principal) in financing in the form of a senior secured debtor-in-possession facility (the “DIP Facility”).

As of June 30, 2025, the DIP Facility was fully repaid and terminated in connection with the Company’s emergence from the bankruptcy. As of December 31, 2024, the outstanding DIP term loan was included in current maturities of long-term debt, net of unamortized discounts, and finance leases on the Company’s consolidated balance sheets.

Liabilities Subject to Compromise

The Company’s 8.00% senior secured notes, convertible notes due 2025 and convertible notes due 2026, as of the Petition Date, had been classified as “Liabilities Subject to Compromise” on the Company’s consolidated balance sheets. Upon emergence from bankruptcy, the liabilities subject to compromise of \$1.6 billion were canceled and the applicable agreements governing such obligations were terminated. Refer to Note 3, Emergence from Voluntary Reorganization under Chapter 11, for additional information.

Long-term debt is comprised of the following:

| | Successor | Predecessor | Successor | Predecessor |
|--|-------------------|-------------------|-----------------------------------|-------------------|
| | As of | | As of | |
| | June 30, 2025 | December 31, 2024 | June 30, 2025 | December 31, 2024 |
| | (in millions) | | (weighted-average interest rates) | |
| DIP term loan due in 2025 | \$ — | \$ 309.0 | N/A | 11.82 % |
| Fixed-rate loans due through 2039 ⁽¹⁾ | 880.2 | 972.2 | 5.24 % | 6.44 % |
| Unsecured term loans due in 2031 | 136.3 | 136.3 | 2.50 % | 1.00 % |
| Fixed-rate class A 2015-1 EETC due through 2028 | 223.6 | 234.6 | 4.04 % | 4.10 % |
| Fixed-rate class AA 2017-1 EETC due through 2030 | 154.3 | 160.3 | 3.36 % | 3.38 % |
| Fixed-rate class A 2017-1 EETC due through 2030 | 51.4 | 53.4 | 3.63 % | 3.65 % |
| Fixed-rate class B 2017-1 EETC due through 2026 | — | 44.7 | N/A | 3.80 % |
| Fixed-rate class B(R) 2025 EETC due through 2030 | 215.0 | — | 11.00 % | N/A |
| Exit secured notes due in 2030 | 850.3 | — | 12.00 % | N/A |
| Revolving credit facility due in 2028 | — | 300.0 | N/A | 6.67 % |
| Long-term debt | \$ 2,511.1 | \$ 2,210.5 | | |
| Less current maturities, net ⁽²⁾ | 121.0 | 436.3 | | |
| Less unamortized discounts, net ⁽²⁾ | 148.0 | 13.2 | | |
| Total | \$ 2,242.1 | \$ 1,761.0 | | |

⁽¹⁾ Includes obligations related to 18 aircraft recorded as failed sale leaseback transactions. Refer to Note 12, Leases for additional information.

⁽²⁾ Includes deferred financing costs associated with the Company's long-term debt, as well as the original issue discount resulting from fair value adjustments under fresh start accounting.

During the three months ended June 30, 2025, the Successor Period and the Current Predecessor Period, the Company made scheduled principal payments of \$35.9 million, \$42.1 million, and \$25.5 million, respectively, on its outstanding debt obligations. In addition, during the Current Predecessor Period, the Company fully repaid the DIP Facility and Revolving Credit Facility in the amounts of \$309.0 million and \$300.0 million, respectively.

At June 30, 2025, the successor's long-term debt principal payments for the next five years and thereafter were as follows (in millions):

| | June 30, 2025 |
|--------------------------------------|-------------------|
| Remainder of 2025 | \$ 69.4 |
| 2026 | 180.9 |
| 2027 | 207.6 |
| 2028 | 390.6 |
| 2029 | 103.1 |
| 2030 and beyond ⁽¹⁾ | 1,737.3 |
| Total debt principal payments | \$ 2,688.9 |

⁽¹⁾ Includes paid-in-kind (PIK) interest that is anticipated to accrue and be settled along with the principal repayment of the Company's Exit Secured Notes at maturity.

Interest Expense

Successor's interest expense related to long-term debt and finance leases consists of the following (in thousands):

| | Successor | Predecessor |
|---|-------------------------------------|-------------------------------------|
| | Three Months Ended June 30, 2025 | Three Months Ended June 30, 2024 |
| 8.00% senior secured notes ⁽¹⁾ | \$ — | \$ 23,252 |
| Fixed-rate term loans | 11,847 | 17,503 |
| Unsecured term loans | 1,528 | 346 |
| Class A 2015-1 EETC | 2,281 | 2,505 |
| Class B 2015-1 EETC | — | 5 |
| Class AA 2017-1 EETC | 1,309 | 1,403 |
| Class A 2017-1 EETC | 472 | 504 |
| Class B 2017-1 EETC | 142 | 440 |
| Class B(R) 2025-1 EETC ⁽²⁾ | 5,913 | — |
| Convertible notes ⁽³⁾ | — | 4,432 |
| Exit secured notes | 25,480 | — |
| Finance leases | 6 | 9 |
| Commitment and other fees | 492 | 421 |
| Amortization of deferred financing costs and fair value adjustments | 12,633 | 3,487 |
| Total | \$ 62,103 | \$ 54,307 |

⁽¹⁾ Includes \$1.1 million of accretion and \$22.2 million of interest expense for the three months ended June 30, 2024.

⁽²⁾ Includes \$0.1 million of amortization of the discount, as well as interest expense, for the three months ended June 30, 2025.

⁽³⁾ Includes \$4.4 million of amortization of the discount for the convertible notes due 2026, as well as interest expense for the convertible notes due 2025 and 2026 for the three months ended June 30, 2024.

| | Successor | Predecessor | Predecessor |
|---|--|--|-----------------------------------|
| | Period from March 13, 2025 through June 30, 2025 | Period from January 1, 2025 through March 12, 2025 | Six Months Ended June 30, 2024 |
| 8.00% senior secured notes ⁽¹⁾ | \$ — | \$ 17,753 | \$ 46,505 |
| Fixed-rate term loans | 14,764 | 13,175 | 35,355 |
| Unsecured term loans | 1,599 | 265 | 685 |
| Class A 2015-1 EETC | 2,784 | 1,879 | 5,117 |
| Class B 2015-1 EETC | — | — | 446 |
| Class AA 2017-1 EETC | 1,582 | 1,036 | 2,823 |
| Class A 2017-1 EETC | 571 | 373 | 1,014 |
| Class B 2017-1 EETC | 228 | 325 | 885 |
| Class B(R) 2025-1 EETC ⁽²⁾ | 5,913 | — | — |
| Convertible notes ⁽³⁾ | — | 1,246 | 8,363 |
| Exit secured notes | 30,800 | — | — |
| Revolving credit facilities | — | 3,732 | — |
| DIP term loan | — | 6,869 | — |
| Finance leases | 8 | 5 | 17 |
| Commitment and other fees | 605 | 20 | 835 |
| Amortization of deferred financing costs and fair value adjustments | 13,026 | 1,004 | 7,069 |
| Total | \$ 71,880 | \$ 47,682 | \$ 109,116 |

⁽¹⁾ Includes interest expense for the Predecessor Period from January 1, 2025 through March 12, 2025. Includes \$2.1 million of accretion and \$44.4 million of interest expense for the six months ended June 30, 2024.

⁽²⁾ Includes \$0.1 million of amortization of the discount, as well as interest expense, for the Successor Period from March 13, 2025 through June 30, 2025.

- ⁽³⁾ Includes interest expense for the convertible notes due 2025 and 2026, for the 2025 Predecessor Period. Includes \$8.9 million of amortization of the discount for the convertible notes due 2026, as well as interest expense for the convertible notes due 2025 and 2026, partially offset by \$0.5 million of favorable mark to market adjustments for the convertible notes due 2026, for the six months ended June 30, 2024.

16. Operating Segments and Related Disclosures

The Company operates in a single reportable segment that provides air transportation to passengers. The Company's Chief Operating Decision Maker ("CODM") regularly evaluates the Company's condensed consolidated operating income (loss) to make decisions regarding resource allocation and performance assessment. Additionally, significant segment expenses provided to the CODM align with those shown in the condensed consolidated statement of operations.

During the first quarter of 2025, Ted Christie, then President and Chief Executive Officer, served as the Company's CODM and was responsible for overseeing operating performance, allocating resources and regularly communicating with executive team on these matters. Subsequently, on April 6, 2025, Ted Christie stepped down from his role. On April 17, 2025, the Board of Directors appointed David Davis as President and Chief Executive Officer and as a member of the Board, in each case effective as of April 21, 2025. Beginning on the effective date, Mr. Davis assumed the role of CODM and became responsible for overseeing the Company's operating performance, resource allocation, and executive-level decision-making. For more information on the condensed consolidated operating results of the Company's single reportable segment, refer to the Company's condensed consolidated statements of operations.

The Company is managed as a single business unit that provides air transportation for passengers. Operating revenues by geographic region as defined by the Department of Transportation ("DOT") are summarized below (in thousands):

| | Successor | Predecessor |
|-------------------|-------------------------------------|-------------------------------------|
| | Three Months Ended June 30, 2025 | Three Months Ended June 30, 2024 |
| DOT—Domestic | \$ 913,770 | \$ 1,141,272 |
| DOT—Latin America | 106,063 | 139,617 |
| Total | \$ 1,019,833 | \$ 1,280,889 |

| | Successor | Predecessor | |
|-------------------|---|---|-----------------------------------|
| | Period from March 13, 2025 through June 30, 2025 | Period from January 1, 2025 through March 12, 2025 | Six Months Ended June 30, 2024 |
| DOT—Domestic | \$ 1,149,190 | \$ 663,201 | \$ 2,235,762 |
| DOT—Latin America | 127,688 | 92,153 | 310,664 |
| Total | \$ 1,276,878 | \$ 755,354 | \$ 2,546,426 |

17. Income Taxes

The following table displays the Company's (loss) income from operations before income tax, income tax expense and effective tax rate (in thousands):

| | Successor |
|--|-------------------------------------|
| | Three Months Ended June 30, 2025 |
| (Loss) Income from Continuing Operations Before Income Tax | \$ (249,828) |
| Income Tax (Benefit) Expense | \$ (3,997) |
| Effective Rate | 1.60 % |

| | Successor | Predecessor |
|--|---|---|
| | Period from March 13, 2025 through June 30, 2025 | Period from January 1, 2025 through March 12, 2025 |
| (Loss) Income from Continuing Operations Before Income Tax | \$ (260,867) | \$ 90,086 |
| Income Tax (Benefit) Expense | \$ (4,100) | \$ 17,870 |
| Effective Rate | 1.57 % | 19.84 % |

The income tax benefit of \$4.0 million and \$4.1 million for the three months ended June 30, 2025 and for the Successor Period from March 13, 2025 through June 30, 2025, respectively, is based on the Company's annualized effective rate ("AETR"). For the Successor Period, the Company estimates its AETR for continuing operations in recording its interim income tax provision for the various jurisdictions in which it operates. The tax effects of statutory rate changes, significant unusual or infrequently occurring items, and certain changes in the assessment of the realizability of deferred tax assets are excluded from the determination of the Company's estimated AETR, as such, items are recognized as discrete items in the quarter in which they occur.

The income tax expense of \$17.9 million for the Predecessor Period was determined based on actual results for the Predecessor Period ended March 12, 2025, including those resulting from fresh start accounting. Any changes to its deferred tax assets and liabilities for the Predecessor Period (whether resulting from Reorganization Adjustments, Fresh Start Adjustments or otherwise) were partially offset with a corresponding adjustment to its valuation allowance.

In the Chapter 11 Cases, the cancellation of debt income ("CODI") realized upon emergence from bankruptcy is excludable from taxable income, but results in a reduction of tax attributes in accordance with the attribute reduction and ordering rules of Section 108 of the Internal Revenue Code. The amount of the Company's CODI is estimated to be \$478.1 million and will be taken completely against, and therefore will reduce, its NOL carryforwards. After taking into account the CODI, the remaining federal NOL carryforward is estimated to be approximately \$1.8 billion and all federal NOL carryforwards do not expire. The reductions in NOL carryforwards for the CODI are expected to be fully offset by a corresponding decrease to the Company's valuation allowance as of December 31, 2025. Some states have similar rules for attribute reduction which will result in the reduction of certain of its state NOL carryforwards.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations describes the principal factors affecting our financial condition at June 30, 2025 and results of operations for the Period from March 13, 2025 through June 30, 2025 (the "Successor Period"), the Period from January 1, 2025 through March 12, 2025 (the "Predecessor Period"), and the three and six months ended June 30, 2024. The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and related notes contained in this Quarterly Report on Form 10-Q and the audited consolidated financial statements of Spirit Airlines, Inc. and notes thereto.

Although GAAP requires that we report on our results for the Predecessor Period from January 1, 2025 through March 12, 2025 and the Successor Period from March 13, 2025 through June 30, 2025 separately, management views our operating results for the six months ended June 30, 2025 by combining the results of the Predecessor and the Successor Periods because management believes such presentation provides the most meaningful comparison of our results to prior periods. We are not able to compare the operating results for the period from January 1, 2025 through March 12, 2025 to any of the previous periods reported in the condensed consolidated financial statements and do not believe reviewing this period in isolation would be useful in identifying any trends in or reaching any conclusions regarding our overall operating performance. We believe the key performance indicators such as operating revenues and expenses for the combined Predecessor and Successor period ended June 30, 2025 with the six months ended June 30, 2024 provide more meaningful comparisons to other periods and are useful in understanding operational trends. Additionally, there were no changes in policies between the periods and any material impacts as a result of fresh start accounting were included within the discussion of these changes.

We evaluate our financial performance utilizing various accounting principles generally accepted in the United States of America ("GAAP") and non-GAAP financial measures, including Adjusted CASM and Adjusted CASM ex-fuel. These non-GAAP financial measures are provided as supplemental information to the financial information presented in this quarterly report that is calculated and presented in accordance with GAAP and these non-GAAP financial measures are presented because management believes that they supplement or enhance management's, analysts' and investors' overall understanding of our underlying financial performance and trends and facilitate comparisons among current, past and future periods.

Because the non-GAAP financial measures are not calculated in accordance with GAAP, they should not be considered superior to and are not intended to be considered in isolation or as a substitute for the related GAAP financial measures presented in this quarterly report and may not be the same as or comparable to similarly titled measures presented by other companies due to possible differences in the method of calculation and in the items being adjusted. We encourage investors to review our financial statements and other filings with the Securities and Exchange Commission in their entirety and not to rely on any single financial measure.

The information below provides an explanation of certain adjustments reflected in the non-GAAP financial measures and shows a reconciliation of non-GAAP financial measures reported in this quarterly report to the most directly comparable GAAP financial measures. Within the financial tables presented, certain columns and rows may not add due to the use of rounded numbers. Per unit amounts presented are calculated from the underlying amounts.

Operating expenses per available seat mile ("CASM") is a common metric used in the airline industry to measure an airline's cost structure and efficiency.

We exclude special charges (credits), loss (gain) on disposal of assets, furlough, termination and retention related expenses, and a litigation loss contingency adjustment recorded in the first quarter of 2024 to determine Adjusted CASM. We believe that also excluding aircraft fuel expense and related taxes ("Adjusted CASM ex-fuel") from certain measures is useful to investors because it provides an additional measure of management's performance excluding the effects of a significant cost item over which management has limited influence and increases comparability with other airlines that also provide a similar metric.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are subject to the "safe harbor" created by those sections. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. All statements other than statements of historical factors are "forward-looking statements" for purposes of these provisions. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "project," "predict," "potential," and similar expressions intended to identify forward-looking statements. Such forward-looking statements are subject to risks, uncertainties and other important factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those

identified below, and those discussed in the section titled "Risk Factors" in this report and in Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, this Quarterly Report on Form 10-Q and subsequent Quarterly Reports on Form 10-Q or Current Reports on Form 8-K. Furthermore, such forward-looking statements speak only as of the date of this report. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

Overview

Spirit Aviation Holdings, Inc. ("Spirit") and its consolidated subsidiaries (together with Spirit, the "Company"), headquartered in Dania Beach, Florida, is a leading low-fare carrier committed to offering an enhanced travel experience with flexible, affordable options. Our all-Airbus S.A.S. ("Airbus") fleet is one of the youngest and most fuel efficient in the United States. We serve destinations throughout the United States, Latin America and the Caribbean. Our network is supported by an all-Airbus fleet that is one of the youngest and most fuel efficient in the United States.

During the second quarter of 2025, we announced updates to our Free Spirit® Loyalty Program and onboard experience. These updates are part of our ongoing initiatives to provide more value and comfort, along with an enhanced Guest experience. Additionally, during the second quarter of 2025, we announced changes in the naming of our travel options: **Spirit First** (formerly **Go Big**), **Premium Economy** (formerly **Go Comfy**), and **Value** (formerly **Go**).

Updates to our **Premium Economy** (formerly **Go Comfy**) product include the following:

- Introduction of more than 40 extra-legroom seats with 32-inch pitch across 7 rows
- Includes carry-on, 25% discount on food and beverages, no change or cancel fees, and Priority Boarding
- Blocked middle seat will be phased out with the introduction of extra-legroom seats
- Bookings opened May 15, with availability on flights started July 9

Enhancements to our Free Spirit program include the following:

- Points can now be redeemed across all three travel options (Spirit First, Premium Economy, and Value)
- Complimentary seat upgrades for Free Spirit Status and Mastercard holders
- Upgrade benefit expanded to one additional Guest on the reservation
- Two free checked bags for Free Spirit Credit Cardholders and a new Free Spirit Debit Card scheduled to launch later this year

These changes are designed to build Guest loyalty, improve brand perception, and give travelers more opportunities to experience and enjoy our premium options.

Emergence from Bankruptcy

On November 18, 2024 (the "Petition Date"), Spirit Airlines Inc. ("Spirit Airlines") commenced a voluntary case (the "Chapter 11 Case") under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), and, on November 25, 2024, certain of Spirit Airlines' subsidiaries (together with Spirit Airlines, the "Company Parties") also filed voluntary petitions seeking relief under Chapter 11 of the Bankruptcy Code and joined the Chapter 11 Case (collectively, the "Chapter 11 Cases"). On February 20, 2025, the Bankruptcy Court entered an order (the "Confirmation Order") confirming the *First Amended Joint Chapter 11 Plan of Reorganization of Spirit Airlines, Inc. and Its Debtor Affiliates* (the "Plan"). On March 12, 2025 (the "Emergence Date" or the "Effective Date"), we emerged from the Chapter 11 Cases in accordance with the Plan. Since the Petition Date and through the Emergence Date, the Company Parties operated their businesses as debtors-in-possession under the jurisdiction of the Bankruptcy Court in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court.

Plan of Reorganization

On the Emergence Date, all conditions precedent to the effectiveness of the Plan were either satisfied or waived, and we emerged from the Chapter 11 Cases. In accordance with the Plan and effective as of the Emergence Date:

- *Cancellation of Senior Secured Notes and Convertible Notes.* The then-outstanding Senior Secured Notes (Class 4 Claims) and Convertible Notes (Class 5 Claims) were canceled and terminated. Refer to "Notes to Condensed Consolidated Financial Statements—15, Debt and Other Obligations" for additional information.
- *Exit Secured Notes.* Certain subsidiaries of Spirit issued \$840.0 million of senior secured notes due 2030 (the "Exit Secured Notes"), at an interest rate of (x) 12.00% per annum, of which 8.00% per annum shall be payable in cash and 4.00% per annum shall be payable in-kind or (y) at 11.00% per annum payable in cash, to certain creditors in the Chapter 11 Cases. Refer to "Notes to Condensed Consolidated Financial Statements—15, Debt and Other Obligations" for additional information.
- *Exit Revolving Credit Facility.* Spirit and certain of its subsidiaries entered into Amended and Restated Credit and Guaranty Agreement with the lenders of the revolving credit facility due in 2026 ("Exit RCF" or "Exit Revolving Credit Facility") that provides revolving credit loans and letters of credit in an aggregated amount equal to \$275.0 million and an uncommitted incremental revolving credit facility up to \$25.0 million. The commitment of \$275.0 million will be reduced to \$250.0 million on September 30, 2026. Concurrently, Spirit Airlines paid the then-outstanding Revolving Credit Facility of \$300.0 million (Class 3 Claims) in full. Refer to "Notes to Condensed Consolidated Financial Statements—15, Debt and Other Obligations" for additional information.
- *Termination of the Debtor-in-Possession Financing.* The Company's Parties' \$300.0 million senior secured superpriority debtor-in-possession facility (the "DIP Facility") that the Company Parties previously entered into was fully repaid and subsequently terminated. Refer to "Notes to Condensed Consolidated Financial Statements—15, Debt and Other Obligations" for additional information.
- *Common Stock and Warrants.* Spirit issued 16,067,305 shares of a single class of common stock (the "Common Stock") and 24,255,256 warrants to purchase shares of Common Stock (the "Warrants") to certain creditors in the Chapter 11 Cases, as further described in "Notes to Condensed Consolidated Financial Statements—8, Equity" and certain adjustments set forth in the Plan.
- *Cancellation of Prior Equity Securities.* All common stock, unvested equity awards, any outstanding PSP loan warrants and all other equity interests in Spirit Airlines that were outstanding immediately prior to the Emergence Date were terminated and canceled. Refer to "Notes to Condensed Consolidated Financial Statements—8, Equity" for additional information.
- *Settlement of Claims and Fees.* General Administrative Claims, Professional Fee Claims, and fees payable to the U.S. Trustee were or will be paid in full.
- *Unimpaired Claims.* Other Secured Claims (Class 1 Claims) and Other Priority Claims (Class 2 Claims) were paid or will be paid in full in the ordinary course, were reinstated, or otherwise rendered unimpaired. General Unsecured Claims (Class 6 Claims) were reinstated or otherwise rendered unimpaired.
- *Election of Directors.* Spirit appointed new members to its board of directors and the directors of Spirit Airlines stepped down.
- *Charter and Bylaws.* Pursuant to the Plan, Spirit amended and restated its certificate of incorporation (the "Charter") and bylaws (the "Bylaws"), each of which became effective on the Effective Date.
- *Holding Company Reorganization.* The Company completed a corporate reorganization (the "Corporate Reorganization") pursuant to which Spirit became the new parent company, with Spirit Airlines becoming a wholly owned subsidiary of Spirit and converting from a Delaware corporation to a Delaware limited liability company. Spirit became the successor issuer to Spirit Airlines for SEC reporting purposes pursuant to Rule 15d-5 of the Exchange Act.

The costs of efforts to restructure our capital, prior to and during the Chapter 11 Cases, along with all other costs incurred in connection with the Chapter 11 Cases, have been material.

Reorganization Items

Any expenses and losses incurred or realized as of or subsequent to the Petition Date through the Emergence Date and as a direct result of the Chapter 11 Cases are recorded within reorganization expense on our condensed consolidated statements of operations. During the Current Predecessor Period, we recorded \$421.5 million of reorganization gain. Refer to "Notes to

Condensed Consolidated Financial Statements—3, Emergence from Voluntary Reorganization under Chapter 11" for additional information.

Special Charges, Non-Operating

Expenses incurred prior to the Petition Date or after the Emergence Date in relation to the Chapter 11 Cases are recorded within special charges, non-operating on our condensed consolidated statements of operations. During the three months ended June 30, 2025, the Successor Period and the Current Predecessor Period, we recorded charges of \$11.0 million, \$12.4 million and \$5.5 million, respectively. Charges incurred during the Successor periods primarily related to post-emergence restructuring related expenses, including professional fees, other related costs, and termination and retention expenses. Charges incurred during the Current Predecessor Period primarily consisted of professional and other fees. Refer to "Notes to Condensed Consolidated Financial Statements—7, Special Charges (Credits)" for additional information.

Fresh Start Accounting

In connection with the emergence from bankruptcy and in accordance with ASC 852, we qualified for and adopted fresh start accounting on the Emergence Date because (1) the holders of the then existing common shares of the Predecessor received less than 50% of the Common Stock shares of the Successor outstanding upon emergence and (2) the reorganization value of the Predecessor's assets immediately prior to confirmation of the Plan of \$8,720 million was less than the total of all post-petition liabilities and allowed claims of \$9,819 million.

In accordance with ASC 852, upon adoption of fresh start accounting, the reorganization value derived from the enterprise value as disclosed in the Plan was allocated to our assets and liabilities based on their fair values in accordance with FASB ASC Topic No. 805 - Business Combinations (ASC 805) and FASB ASC Topic No. 820 - Fair Value Measurements (ASC 820), with limited exceptions (such as deferred taxes). The amount of deferred income taxes recorded due to the fair value adjustments to assets and liabilities was determined in accordance with FASB ASC Topic No. 740 - Income Taxes.

With the application of fresh start accounting, we allocated our reorganization value to individual assets based on their estimated fair value. The reorganization value represents the fair value of the Successor's total assets before considering certain liabilities and is intended to approximate the amount a willing buyer would pay for the Successor's assets immediately after restructuring. The Plan confirmed by the Bankruptcy Court estimated a range of enterprise values between \$6.1 billion and \$6.8 billion.

The following table reconciles the enterprise value to the reorganization value of Successor's assets that has been allocated to our individual assets as of the Fresh Start Reporting Date (in millions):

| | Fresh Start Reporting Date |
|--|---------------------------------------|
| Enterprise Value | \$ 6,450 |
| Plus: Excess cash and cash equivalents | 508 |
| Plus: Non-operating assets | 447 |
| Plus: Current and other liabilities (excluding debt) | 1,315 |
| Reorganization Value | \$ 8,720 |

To determine fair value adjustments as of the Effective Date, we engaged third-party valuation experts to conduct an analysis of the condensed consolidated balance sheets to determine the fair values of each balance. The material adjustments were made to property plant and equipment, leased liabilities and ROU assets, available-for-sale, and debt. Refer to "Notes to Condensed Consolidated Financial Statements—4, Fresh Start Accounting" for additional information.

NYSE American Listing

On November 18, 2024, we received written notice from the NYSE notifying us that, as a result of the Chapter 11 Case and in accordance with NYSE Listed Company Manual Section 802.01D, the NYSE had determined that Spirit Airlines' shares of common stock, par value \$0.0001 per share (the "Old Common Stock"), would be delisted from the NYSE and that trading of the shares of Old Common Stock on NYSE was suspended immediately. As a result of the suspension and expected delisting, the shares of Old Common Stock commenced trading on the OTC Pink Market under the symbol "SAVEQ" on November 19, 2024 and continued through the Emergence Date. Upon emergence, all equity securities of Spirit Airlines

outstanding prior to the Effective Date, including Old Common Stock, were canceled, released, and extinguished, and of no further force or effect and without any need for a holder of Old Common Stock to take further action with respect thereto.

Following emergence, and consistent with our contractual obligations, Spirit applied to list its issued shares of Common Stock on the NYSE American stock exchange. Refer to "Notes to Condensed Consolidated Financial Statements—8, Equity" for additional information. Trading of our shares of Common Stock began on April 29, 2025, under the symbol "FLYY."

Trends and Uncertainties Affecting Our Business

We believe that our operating and business performance is influenced by various factors, including those impacting the airline industry, broader travel trends and the specific markets and customer base we target. The following key factors may affect our future performance:

Ability to Execute our Strategy to Drive Higher Unit Revenues. Recently, we implemented several strategic changes aimed at driving higher unit revenues and improving profitability. The success of this revised strategy depends on our ability to secure higher fares for our premium leisure travel options, while maintaining high load factors and generating strong ancillary revenue from guests opting for our à la carte offerings.

Ability to Drive Profitability While Reducing Network Capacity. We are reducing our capacity and re-aligning our network to enhance operational reliability and targeting increased revenue per ASM, focusing on markets where industry capacity and demand are better aligned. The success of this strategy requires increasing our market share in targeted markets, which, in turn, should allow us to command a pricing premium and generate higher revenue per ASM. In addition, we are pursuing strategies to improve our revenue per ASM by enhancing our products, including our **Premium Economy** travel option.

Maintaining Low Unit Costs. Our cost structure has consistently been among the lowest in the U.S. airline industry, which is one of our key competitive advantages and we continue to work to reduce costs. This has allowed us to offer low fares, drive traffic volume, increase market share and protect profitability. Some of our principal costs arise from contractual obligations such as aircraft leases, airport real estate and CBAs, which are fixed for long periods. Further, as we reduce our capacity and slow our growth, unit costs are expected to increase due to fewer units available to absorb fixed costs. Additionally, we have faced inflationary pressures, particularly in areas such as wages, salaries, benefits and airport operating costs.

Impact of Pratt & Whitney GTF engine issues. In July 2023, Pratt & Whitney announced that it had determined that a rare condition in the powdered metal used to manufacture certain engine parts would require accelerated inspection of the GTF fleet, which powers the A320neo aircraft. We currently estimate these engines will require removal and inspection through at least 2026. Lower capacity resulting from manufacturer or supplier issues may lead to a significant adverse impact on our financial position and results of operations.

On June 4, 2025, we entered into an agreement (the "Agreement") with International Aero Engines, LLC ("IAE"), an affiliate of Pratt & Whitney, pursuant to which IAE will provide us with a monthly credit, subject to certain conditions, as compensation for each of our aircraft unavailable for operational service due to GTF engine issues from January 1, 2025 through December 31, 2025. However, we do not expect these credits to fully offset the related costs and operational disruptions. As a result, the engine issues could continue to negatively impact our operating results. For additional information on the credits related to AOG days, refer to "Notes to Condensed Consolidated Financial Statements—13. Commitments, Contingencies and Other Contractual Arrangements."

In addition to the effects of the Pratt & Whitney GTF engine issues on our operational reliability, we have experienced an overall increase in volatility in seasonality as well as a decrease in unit revenue, including elevated domestic capacity and continued weak demand for domestic leisure travel in the second quarter of 2025, and persistently higher fuel prices over the last few years, which have negatively affected revenue and costs. Should these trends continue into the future, our operating results may be negatively impacted.

Competition. The airline industry is highly competitive. The principal competitive factors in the airline industry are fare pricing, total price, flight schedules, competition capacity, aircraft type, passenger amenities, number of routes served from a city, customer service, safety record, reputation, code-sharing relationships, loyalty programs and redemption opportunities. Price competition occurs on a market-by-market basis through price discounts, changes in pricing structures, fare matching, target promotions and loyalty program initiatives. Airlines typically use discount fares and other promotions to stimulate traffic during normally slower travel periods in efforts to maximize unit revenue. The prevalence of discount fares can be particularly acute when a competitor has excess capacity that puts it under financial pressure to sell tickets.

The legacy network carriers have developed a fare-class pricing approach, in which a portion of available seats may be sold at or near our prices, but without most product features available only to those passengers paying at higher fare levels on the same flight. Broad fare discounting may have the effect of diluting the profitability of revenues of high-cost legacy carriers, but the more focused fare-class have allowed network carriers to continue offering prices competitive to those of low-cost carriers on some flights or routes, while maintaining higher pricing to their traditional constituencies of corporate and less price-sensitive travelers. Moreover, the massive scale and network reach of legacy network carriers provides an inherent advantage for their loyalty reward programs, which represent a material portion of revenues in profitability of those carriers.

Seasonality and Volatility. Our results of operations for any interim period are not necessarily indicative of those for the entire year because the air transportation business is subject to significant seasonal fluctuations. We generally expect demand to be greater in the second and third quarters compared to the rest of the year. The air transportation business is also volatile and highly affected by economic cycles and trends. Consumer confidence and discretionary spending, fear of terrorism or war, weakening economic conditions, fare initiatives, fluctuations in fuel prices, labor actions, changes in governmental regulations on taxes and fees, weather, outbreaks of pandemic or contagious diseases and other factors have resulted in significant fluctuations in revenues and results of operations in the past. We believe demand for business travel historically has been more sensitive to economic pressures than demand for lower-priced discretionary travel, which comprises most of the demand we serve. Finally, a significant portion of our operations are concentrated in markets such as South Florida, the Caribbean, Latin America and the Northeast and northern Midwest regions of the United States, which are particularly vulnerable to weather, airport traffic constraints and other delays.

Aircraft Fuel. Fuel costs represent one of our largest operating expenses, as it does for most airlines. Fuel costs have been subject to wide price fluctuations in recent years. Fuel availability and pricing are also subject to refining capacity, periods of market surplus, and shortage and demand for heating oil, gasoline and other petroleum products, as well as meteorological, economic and political factors and events occurring throughout the world, which we can neither control nor accurately predict. We source a significant portion of our fuel from refining resources located in the southeast United States, particularly facilities adjacent to the Gulf of Mexico. Gulf Coast fuel is subject to volatility and supply disruptions, particularly in hurricane season when refinery shutdowns have occurred, or when the threat of weather-related disruptions has caused Gulf Coast fuel prices to spike above other regional sources. The cost and future availability of jet fuel cannot be predicted with any degree of certainty.

Labor. The airline industry is heavily unionized. The wages, benefits and work rules of unionized airline industry employees are determined by collective bargaining agreements ("CBAs"). Relations between air carriers and labor unions in the United States are governed by the United States Railway Labor Act ("RLA"). Under the RLA, CBAs generally contain "amendable dates" rather than expiration dates, subject to standard early opener provisions, and the RLA requires that a carrier maintain the existing terms and conditions of employment following the amendable date through a multi-stage and usually lengthy series of bargaining processes overseen by the National Mediation Board ("NMB"). This process continues until either the parties have reached agreement on a new CBA, or the parties have been released to "self-help" by the NMB. In most circumstances, the RLA prohibits strikes; however, after release by the NMB, carriers and unions are free to engage in self-help measures such as strikes and lockouts.

We have six union-represented employee groups comprising approximately 83% of our employees at June 30, 2025. Our pilots are represented by the Air Line Pilots Association, International, or ALPA, our flight attendants are represented by the Association of Flight Attendants, or AFA-CWA, our dispatchers are represented by the Professional Airline Flight Control Association, or PAFCA, our ramp service agents are represented by the International Association of Machinists and Aerospace Workers, or IAMAW, our passenger service agents are represented by the Transport Workers Union, or TWU and our aircraft maintenance technicians are represented by the Aircraft Mechanics Fraternal Association, or AMFA. Conflicts between airlines and their unions can lead to work slowdowns or stoppages.

We believe our CBAs provide us with competitive labor costs compared to other U.S.-based low-cost carriers. If we are unable to reach agreement with any of our unionized work groups in current or future negotiations regarding the terms of their CBAs, we may be subject to work interruptions or stoppages, such as the strike by our pilots in June 2010. A strike or other significant labor dispute with our unionized employees is likely to adversely affect our ability to conduct business. Any agreement we do reach could increase our labor and related expenses.

Maintenance Expense. The amount of total maintenance costs and related amortization of heavy maintenance (included in depreciation and amortization expense) is subject to many variables such as future utilization rates, average stage length, the interval between heavy maintenance events, the size and makeup of the fleet in future periods and the level of unscheduled

maintenance events and their actual costs. Accordingly, we cannot reliably quantify future maintenance expenses for any significant period of time.

Tariffs. The current U.S. Administration is in the process of expanding the scope of tariffs and significantly increasing the rates on goods imported into the United States. In response, foreign governments have imposed, and are expected to impose, retaliatory tariff measures against the United States. Any tariffs are expected to increase expenses and may have an impact on demand.

These or additional changes in U.S. or international trade policies, along with continued uncertainty surrounding such policies, could lead to further weakened business conditions for the transportation industry, which may adversely impact our operations through increased supply chain challenges, commodity price volatility and a decline in discretionary spending and consumer confidence, among others. We continue to monitor the situation.

Comparative Operating Statistics:

The following tables set forth our operating statistics for the three and six month periods ended June 30, 2025 and 2024:

| | Three Months Ended June 30, | | Percent Change |
|---|-----------------------------|------------|-------------------|
| | 2025 | 2024 | |
| Operating Statistics (unaudited) ^(A) : | | | |
| Average aircraft | 214.3 | 207.3 | 3.4 % |
| Aircraft at end of period ^(B) | 215 | 210 | 2.4 % |
| Average daily aircraft utilization (hours) | 7.8 | 10.6 | (26.4)% |
| Departures | 59,228 | 75,925 | (22.0)% |
| Passenger flight segments (PFSs) (thousands) | 8,788 | 11,810 | (25.6)% |
| Revenue passenger miles (RPMs) (thousands) | 8,546,944 | 11,766,847 | (27.4)% |
| Available seat miles (ASMs) (thousands) | 10,761,858 | 14,146,192 | (23.9)% |
| Load factor (%) | 79.4 % | 83.2 % | (3.8) pts |
| Total revenue per passenger flight segment (\$) | 116.05 | 108.46 | 7.0 % |
| Average yield (cents) | 11.93 | 10.89 | 9.6 % |
| TRASM (cents) | 9.48 | 9.05 | 4.8 % |
| CASM (cents) | 11.19 | 10.13 | 10.5 % |
| Adjusted CASM (cents) | 11.19 | 10.23 | 9.4 % |
| Adjusted CASM ex-fuel (cents) | 8.77 | 7.36 | 19.2 % |
| Fuel gallons consumed (thousands) | 110,004 | 146,686 | (25.0)% |
| Average economic fuel cost per gallon (\$) | 2.37 | 2.78 | (14.7)% |

^(A) See "Glossary of Airline Terms" elsewhere in this quarterly report for definitions used in this table.

^(B) Includes 21 aircraft recorded as assets held for sale on our condensed consolidated balance sheets as of June 30, 2025. Refer to "Notes to Condensed Consolidated Financial Statements—14. Fair Value Measurements" for additional information on the aircraft recorded as assets held for sale.

| | Six Months Ended June 30, | | Percent Change |
|---|---------------------------|------------|----------------|
| | 2025 | 2024 | |
| Operating Statistics (unaudited) ^(A) : | | | |
| Average aircraft | 213.3 | 206.3 | 3.4 % |
| Aircraft at end of period ^(B) | 215 | 210 | 2.4 % |
| Average daily aircraft utilization (hours) | 8.0 | 10.5 | (23.8)% |
| Departures | 118,085 | 147,846 | (20.1)% |
| Passenger flight segments (PFSs) (thousands) | 17,557 | 22,624 | (22.4)% |
| Revenue passenger miles (RPMs) (thousands) | 17,151,907 | 22,649,463 | (24.3)% |
| Available seat miles (ASMs) (thousands) | 21,586,686 | 27,635,211 | (21.9)% |
| Load factor (%) | 79.5 % | 82.0 % | (2.5) pts |
| Total revenue per passenger flight segment (\$) | 115.75 | 112.55 | 2.8 % |
| Average yield (cents) | 11.85 | 11.24 | 5.4 % |
| TRASM (cents) | 9.41 | 9.21 | 2.2 % |
| CASM (cents) | 11.61 | 10.52 | 10.4 % |
| Adjusted CASM (cents) | 11.54 | 10.45 | 10.4 % |
| Adjusted CASM ex-fuel (cents) | 9.03 | 7.51 | 20.2 % |
| Fuel gallons consumed (thousands) | 221,091 | 286,826 | (22.9)% |
| Average economic fuel cost per gallon (\$) | 2.45 | 2.84 | (13.7)% |

^(A) See "Glossary of Airline Terms" elsewhere in this quarterly report for definitions used in this table.

^(B) Includes 21 aircraft recorded as assets held for sale on our condensed consolidated balance sheets as of June 30, 2025. Refer to "Notes to Condensed Consolidated Financial Statements—14. Fair Value Measurements" for additional information on the aircraft recorded as assets held for sale.

Executive Summary

Summary of Results

For the second quarter of 2025, we had a negative operating margin of 18.1% compared to a negative operating margin of 11.9% in the prior year period. We generated a pre-tax loss of \$249.8 million and a net loss of \$245.8 million on operating revenues of \$1,019.8 million. For the second quarter of 2024, we generated a pre-tax loss of \$189.6 million and a net loss of \$192.9 million on operating revenues of \$1,280.9 million.

Our Adjusted CASM ex-fuel for the second quarter of 2025 was 8.77 cents compared to 7.36 cents in the prior year period. The increase on a per-ASM basis was primarily due to increases in salaries, wages and benefits expense, other operating expense, aircraft rent expense, landing fees and other rents expense, and distribution expense.

During the second quarter of 2025, ASMs decreased by 23.9% compared to the prior year period due to a decrease in the number of active aircraft, as well as lower aircraft utilization. To better align our flight volume with the current demand and competitive environment, during the fourth quarter of 2024, we agreed to sell 23 aircraft to GA Telesis, LLC ("GAT"), which were removed from service, reducing the average number of aircraft available for service during the three months ended June 30, 2025, when compared to the three months ended June 30, 2024. We also had a higher average number of AOG aircraft in the second quarter of 2025 when compared to the prior year period. In addition, we reduced the number of scheduled flights on off-peak travel days to a greater degree than in the second quarter of last year, which drove lower utilization period over period.

As of June 30, 2025, we had 215 Airbus A320-family aircraft in our fleet comprised of 63 A320s, 29 A321s, 32 A321neos and 91 A320neos. As of June 30, 2025, we had 88 A320 family aircraft scheduled for delivery through 2031, of which no aircraft are scheduled for delivery during the remainder of 2025.

Furthermore, to continue our ongoing efforts to optimize and enhance efficiencies, in July 2025, we announced that we will downgrade approximately 140 Captains to First Officers and furlough approximately 270 pilots, effective October 1, 2025 and November 1, 2025, respectively to align with our projected flight volume for 2026. We expect to record approximately \$6 million in expenses related to these furloughs.

We continue to realign our network to focus on markets where we have a strong positioning, where leisure travel demand is high, and where we can attract travelers who value our new product offerings. These changes are expected to support pricing premiums and generate higher per seat revenues.

Comparison of the three months ended June 30, 2025 to the three months ended June 30, 2024

Operating Revenues

Operating revenues decreased \$261.1 million, or 20.4%, to \$1,019.8 million for the second quarter of 2025, as compared to the second quarter of 2024, primarily due to a decrease in capacity of 23.9% and a 3.8 pts decrease in load factor, partially offset by an increase in average yield of 9.6%, year over year.

Total revenue per passenger flight segment increased 7.0%, year over year. The increase in total revenue per passenger flight segment was primarily driven by a 9.6% increase in average yield, period over period.

Operating Expenses

Operating expenses decreased by \$229.4 million to \$1,204.0 million for the second quarter of 2025, compared to \$1,433.4 million the second quarter of 2024, primarily due to decreases in aircraft fuel expense, primarily driven by lower flight volume, as compared to the prior year period, as well as decreases in salaries, wages, and benefits expense, other operating expenses and depreciation and amortization expense.

Aircraft fuel expense includes into-plane fuel expense and realized and unrealized gains and losses associated with our fuel derivative contracts, if any. Into-plane fuel expense is defined as the price that we generally pay at the airport, including taxes and fees. Into-plane fuel prices are affected by the global oil market, refining costs and taxes and fees, which can vary by region in the United States and other countries where we operate. Into-plane fuel expense approximates cash paid to the supplier and does not reflect the effect of any fuel derivatives. We had no activity related to fuel derivative instruments during the three months ended June 30, 2025 and 2024.

Aircraft fuel expense decreased by \$146.8 million, or 36.0%, from \$407.3 million in the second quarter of 2024 to \$260.5 million in the second quarter of 2025. This decrease in fuel expense period over period, was due to a 25.0% decrease in fuel gallons consumed and a 14.7% decrease in average economic fuel cost per gallon.

The elements of the changes in aircraft fuel expense are illustrated in the following table:

| | Three Months Ended June 30, | | Percent Change |
|--|--|-------------------|-----------------------|
| | 2025 | 2024 | |
| | (in thousands, except per-gallon amounts) | | |
| Fuel gallons consumed | 110,004 | 146,686 | (25.0) % |
| Into-plane fuel cost per gallon | \$ 2.37 | \$ 2.78 | (14.7) % |
| Aircraft fuel expense (per condensed consolidated statements of operations) | \$ 260,486 | \$ 407,296 | (36.0)% |

Gulf Coast Jet indexed fuel is the basis for a substantial majority of our fuel consumption and is impacted by both the price of crude oil, as well as increases or decreases in refining margins associated with the conversion of crude oil to jet fuel. The into-plane fuel cost per gallon decrease of 14.7% was primarily a result of a decrease in jet fuel prices.

We measure our operating cost performance on a per-ASM basis, since one ASM is the unit of production of an airline's capacity. The following table presents our cost per-ASM, or unit cost, for three months ended June 30, 2025 and 2024, followed by explanations of the material changes on a dollar basis and/or unit cost basis:

| | | | | | Cost per ASM | | Per-ASM Change | Percent Change | | |
|------------------------------------|----------------|-----------|---------------|----------------|-----------------------------|----------|----------------|----------------|--------|----------|
| | | | | | Three Months Ended June 30, | | | | | |
| | 2025 | 2024 | Dollar Change | Percent Change | Three Months Ended June 30, | | | | | |
| | | | | | 2025 | 2024 | | | | |
| | (in thousands) | | | | (in cents) | | | | | |
| Salaries, wages, and benefits | \$ | 367,361 | \$ | 418,378 | \$ (51,017) | (12.2) % | 3.41 | 2.96 | 0.45 | 15.2 % |
| Aircraft fuel | | 260,486 | | 407,296 | (146,810) | (36.0) % | 2.42 | 2.88 | (0.46) | (16.0) % |
| Aircraft rent | | 140,693 | | 125,339 | 15,354 | 12.2 % | 1.31 | 0.89 | 0.42 | 47.2 % |
| Landing fees and other rents | | 101,457 | | 116,064 | (14,607) | (12.6) % | 0.94 | 0.82 | 0.12 | 14.6 % |
| Depreciation and amortization | | 62,886 | | 84,486 | (21,600) | (25.6) % | 0.58 | 0.60 | (0.02) | (3.3) % |
| Maintenance, materials and repairs | | 48,747 | | 52,453 | (3,706) | (7.1) % | 0.45 | 0.37 | 0.08 | 21.6 % |
| Distribution | | 47,139 | | 45,923 | 1,216 | 2.6 % | 0.44 | 0.32 | 0.12 | 37.5 % |
| Special charges (credits) | | — | | (381) | 381 | NM | — | — | — | NM |
| Loss (gain) on disposal of assets | | (309) | | (14,047) | 13,738 | NM | — | (0.10) | 0.10 | NM |
| Other operating | | 175,496 | | 197,890 | (22,394) | (11.3) % | 1.63 | 1.40 | 0.23 | 16.4 % |
| Total operating expenses | \$ | 1,203,956 | \$ | 1,433,401 | \$(229,445) | (16.0) % | 11.19 | 10.13 | 1.06 | 10.5 % |
| Adjusted CASM (1) | | | | | | | 11.19 | 10.23 | 0.96 | 9.4 % |
| Adjusted CASM ex-fuel (2) | | | | | | | 8.77 | 7.36 | 1.41 | 19.2 % |

(1) Reconciliation of CASM to Adjusted CASM:

| | Three Months Ended June 30, | | | |
|-----------------------------------|-----------------------------|---------|---------------|---------|
| | 2025 | | 2024 | |
| | (in millions) | Per ASM | (in millions) | Per ASM |
| CASM (cents) | | 11.19 | | 10.13 |
| Special charges (credits) | \$ — | — | \$ (0.4) | — |
| Loss (gain) on disposal of assets | (0.3) | — | (14.0) | (0.10) |
| Adjusted CASM (cents) | | 11.19 | | 10.23 |

(2) Excludes aircraft fuel expense, special charges (credits), and loss (gain) on disposal of assets.

Our Adjusted CASM ex-fuel for the second quarter of 2025 was 8.77 cents, compared to 7.36 cents in the prior year period. The increase on a per-ASM basis was primarily due to an increase in salaries, wages and benefits expense, aircraft rent expense, other operating expense, landing fees and other rents expense, and distribution expense. These per-ASM increases were mostly driven by the semi-fixed nature of many of these costs in conjunction with a 23.9% year over year decrease in capacity. The reduction in capacity resulted from fewer aircraft being available for scheduling due to GTF engine issues, as well as the strategic realignment of our network.

Salaries, wages and benefits for the second quarter of 2025 decreased \$51.0 million, or 12.2%, as compared to the second quarter of 2024. On a dollar basis, salaries, wages and benefits expense decreased due to lower salaries expense, vacation-time expense, and 401(k) expense. These decreases were primarily driven by lower headcount and a decrease in operations, as compared to the prior year period. The increase on a per-ASM basis was primarily driven by a 23.9% decrease in ASMs, which resulted in higher salaries expense on a per-ASM basis. Additionally, group health expense on a per-ASM basis increased due to higher claims activity compared to the same period in the prior year.

Landing fees and other rents for the second quarter of 2025 decreased \$14.6 million, or 12.6%, as compared to the second quarter of 2024. On a dollar basis, landing fees and other rents expense primarily decreased as a result of a decrease in overfly fees, period over period. The increase on a per-ASM basis was primarily driven by the decrease of 23.9% in ASMs, resulting in an increase on a per-ASM basis.

Aircraft rent expense for the second quarter of 2025 increased by \$15.4 million, or 12.2%, as compared to the second quarter of 2024. This increase in aircraft rent expense on a dollar basis was primarily due to an increase in the number of aircraft financed under operating leases throughout the current period, as compared to the prior year period. Since the second quarter of 2024, we have acquired 16 new aircraft financed under operating leases. The increase in aircraft rent expense on a per-ASM basis was mostly due to reduced average daily aircraft utilization.

In connection with our emergence from bankruptcy and in accordance with ASC 852, we adopted fresh start accounting, requiring the revaluation of our leases right-of-use assets and related operating lease liabilities to their fair value using an estimated incremental borrowing rate at March 12, 2025 ("the Fresh Start Reporting Date"), as well as adjustments to the related right-of-use assets for off-market terms as of the Emergence Date, resulting in a net decrease in straight-line rent expense during the Successor Period. For additional information, refer to "Notes to Condensed Consolidated Financial Statements—4. Fresh Start Accounting."

Depreciation and amortization for the second quarter of 2025 decreased by \$21.6 million, or 25.6%, as compared to the second quarter of 2024. On a dollar and per-ASM basis, depreciation expense decreased, period over period, primarily due to the change in the composition of our owned aircraft. Since the prior year period, we sold 7 previously owned A319 aircraft and reclassified 23 aircraft to assets held for sale during the fourth quarter of 2024 within our condensed consolidated balance sheets, which are no longer being depreciated. In addition, in connection with our emergence from bankruptcy and in accordance with ASC 852, we adopted fresh start accounting, requiring the adjustment of our assets to their fair value at the Fresh Start Reporting Date. This resulted in changes to depreciation and amortization in the Successor Period related to the fair value adjustments recorded to our fixed assets values as of the Emergence Date. For additional information, refer to "Notes to Condensed Consolidated Financial Statements—4. Fresh Start Accounting." On a per-ASM basis, this decrease in depreciation expense was partially offset by an increase in computer software in the period.

We account for heavy maintenance under the deferral method. Under the deferral method, the cost of heavy maintenance is capitalized and amortized as a component of depreciation and amortization expense in the condensed consolidated statements of operations until the earlier of the next heavy maintenance event or the end of the lease term. The amortization of heavy maintenance costs decreased to \$25.1 million for the second quarter of 2025 from \$30.1 million for the three months ended June 30, 2024. The amortization of heavy maintenance costs is driven by the timing and number of maintenance events. In addition, as part of fresh start accounting, we recorded a fair value adjustment that decreased the book values of our deferred heavy maintenance, which resulted in lower amortization expense in the three months ended June 30, 2025. Amortization was further reduced by aircraft on ground ("AOG") credits, which were recognized as a reduction to the cost basis of deferred heavy maintenance. However, as our fleet continues to age, we generally expect that the amount of deferred heavy maintenance events will increase and will result in an increase in the amortization of those future costs. If the amortization of heavy maintenance events was expensed within maintenance, materials and repairs expense in the condensed consolidated statements of operations, our maintenance, materials and repairs expense would have been \$73.9 million and \$82.5 million for the three months ended June 30, 2025 and three months ended June 30, 2024, respectively.

Maintenance, materials and repairs expense decreased by \$3.7 million, or 7.1%, as compared to the second quarter of 2024. The decrease in maintenance costs on a dollar basis was mainly due to timing of maintenance events in the period as well as an increase in AOG credits, which were recognized in the period as a reduction to the cost basis of maintenance, materials and repairs. On a per-ASM basis, the increase in maintenance, materials and repairs expense was primarily due to the timing of maintenance events during the period.

Distribution costs increased by \$1.2 million, or 2.6%, in the second quarter of 2025 as compared to the second quarter of 2024. The increase on a dollar and per-ASM basis was primarily due to higher advertising expense in the current year period, related to our new travel options and transformed Guest experience. The increase on a dollar basis was partially offset by decreased sales volume, which impacts our variable distribution costs such as credit card fees.

We had no significant special charges (credits) for the second quarter of 2025. Special charges (credits) for the three months ended June 30, 2024 consisted of a net credit of \$0.4 million in legal, advisory and other fees related to the former Merger Agreement with JetBlue.

Loss (gain) on disposal of assets for the second quarter of 2025 primarily consisted of \$2.9 million gain related to one aircraft sale leaseback transaction related to a new aircraft delivery completed during the second quarter of 2025. The gain was partially offset by a \$1.7 million loss resulting from an adjustment to previously recorded impairment charges in the fourth quarter 2024 reflecting a change in estimates of costs to sell associated with our aircraft sale and purchase agreement with GAT, as well as \$0.9 million losses related to the write-off of obsolete assets and other adjustments. Loss (gain) on disposal of assets for the three months ended June 30, 2024 primarily consisted of a \$13.3 million gain related to 4 aircraft sale leaseback transactions related to new aircraft deliveries and a net gain of \$0.6 million related to the sale of 5 A319 airframes and 9 A319 engines.

Other operating expenses for the second quarter of 2025 decreased by \$22.4 million, or 11.3%, as compared to the three months ended June 30, 2024. The decrease in other operating expenses on a dollar basis was primarily due to a decrease in travel and lodging expense and ground handling expense as compared to the prior year period. These decreases are primarily a

result of a 22.0% decrease in departures, and a decrease in hotel occupation rate due to usage of our new residential building. On a per-ASM basis, the increase in other operating expenses was primarily due to higher ground handling rates, increased passenger food costs driven by the introduction of travel options that include unlimited food and drinks, and higher property tax expense as compared to the prior year period.

Other (Income) Expense

Our interest expense and corresponding capitalized interest for the three months ended June 30, 2025 primarily represented the interest related to the Exit Secured Notes, as well as the interest related to aircraft that would have been deemed finance leases resulting in failed sale leaseback transactions and the financing of purchased aircraft. Refer to "Notes to Condensed Consolidated Financial Statements—15, Debt and Other Obligations" for additional information.

In addition, as part of our emergence from bankruptcy and in compliance with ASC 852, we implemented fresh start accounting, which required us to record a fair value adjustment to our remaining outstanding debt as of the Fresh Start Reporting Date. The adjustments to each debt instrument will be amortized through the remaining term of the related debt instrument to accrete the adjusted balance to its face value at the end of the loan. Amortization will be recorded in interest expense, within the condensed consolidated statements of operations. For further details, see "Notes to Condensed Consolidated Financial Statements—4. Fresh Start Accounting."

Our interest expense and corresponding capitalized interest for the three months ended June 30, 2024 primarily represented interest and accretion related to our 8.00% senior secured notes as well as the interest related to aircraft that would have been deemed finance leases resulting in failed sale leaseback transactions and the financing of purchased aircraft. In addition, our interest expense for the three months ended June 30, 2024 included the discount amortization related to our convertible notes due 2026 and the interest related to our convertible notes.

Our interest income for the three months ended June 30, 2025 and June 30, 2024, primarily represented interest income earned on cash, cash equivalents, and short-term investments. During the three months ended June 30, 2025 and June 30, 2024, we had interest income of \$7.1 million and \$12.2 million, respectively.

Income Taxes

Our effective tax rate for the second quarter of 2025 was 1.6%, compared to (1.7)% for the second quarter of 2024. The increase in the tax rate, as compared to the prior year period, is primarily driven by a change in valuation allowances on our deferred tax assets. While we expect our tax rate to be fairly consistent in the near term, it will tend to vary depending on items such as changes to permanent tax items, changes in valuation allowances on our deferred tax assets, the amount of income we earn in each state and the state tax applicable to such income. Discrete items particular to a given year may also affect our effective tax rates.

Comparison of the six months ended June 30, 2025 to the six months ended June 30, 2024

Operating Revenues

Operating revenues decreased \$514.2 million, or 20.2%, to \$2,032.2 million for the six months ended June 30, 2025, as compared to the prior year period, primarily due to a decrease in capacity of 21.9% and a 2.5 pts decrease in load factor, partially offset by an increase in average yield of 5.4%, year over year.

Total revenue per passenger flight segment increased 2.8%, year over year. The increase in total revenue per passenger flight segment was primarily driven by an increase of 5.4% in average yield, period over period.

Operating Expenses

Operating expenses decreased for six months ended June 30, 2025 by \$400.8 million, or 13.8%, as compared to the prior year period primarily due to a decrease in aircraft fuel expense, primarily driven by lower flight volume, as well as decreases in salaries, wages and benefits expense, depreciation and amortization expense and special charges (credits). These decreases were partially offset by an increase in aircraft rent expense, period over period.

The elements of the changes in aircraft fuel expense are illustrated in the following table:

| | Six Months Ended June 30, | | |
|---|---|------------|----------------|
| | 2025 | 2024 | |
| | (in thousands, except per-gallon amounts) | | Percent Change |
| Fuel gallons consumed | 221,091 | 286,826 | (22.9) % |
| Into-plane fuel cost per gallon | \$ 2.45 | \$ 2.84 | (13.7) % |
| Aircraft fuel expense (per condensed consolidated statements of operations) | \$ 541,205 | \$ 813,647 | (33.5)% |

We measure our operating cost performance on a per-ASM basis, since one ASM is the unit of production of an airline's capacity. The following table presents our cost per-ASM, or unit cost, for the six months ended June 30, 2025 and 2024, followed by explanations of the material changes on a unit cost basis and/or dollar basis:

| | | | | | Cost per ASM | | | |
|------------------------------------|---------------------------|--------------|---------------|----------------|---------------------------|--------|----------------|----------------|
| | Six Months Ended June 30, | | Dollar Change | Percent Change | Six Months Ended June 30, | | Per-ASM Change | Percent Change |
| | 2025 | 2024 | | | 2025 | 2024 | | |
| | (in thousands) | | | | (in cents) | | | |
| Salaries, wages, and benefits | \$ 752,158 | \$ 849,861 | \$ (97,703) | (11.5) % | 3.48 | 3.08 | 0.40 | 13.0 % |
| Aircraft fuel | 541,205 | 813,647 | (272,442) | (33.5) % | 2.51 | 2.94 | (0.43) | (14.6) % |
| Aircraft rent | 291,760 | 240,545 | 51,215 | 21.3 % | 1.35 | 0.87 | 0.48 | 55.2 % |
| Landing fees and other rents | 209,402 | 222,782 | (13,380) | (6.0) % | 0.97 | 0.81 | 0.16 | 19.8 % |
| Depreciation and amortization | 129,336 | 165,832 | (36,496) | (22.0) % | 0.60 | 0.60 | — | — % |
| Maintenance, materials and repairs | 107,454 | 107,368 | 86 | 0.1 % | 0.50 | 0.39 | 0.11 | 28.2 % |
| Distribution | 97,032 | 91,099 | 5,933 | 6.5 % | 0.45 | 0.33 | 0.12 | 36.4 % |
| Special charges (credits) | (4) | 35,877 | (35,881) | NM | — | 0.13 | (0.13) | NM |
| Loss (gain) on disposal of assets | 11,327 | (17,076) | 28,403 | NM | 0.05 | (0.06) | 0.11 | NM |
| Other operating | 365,841 | 396,340 | (30,499) | (7.7) % | 1.70 | 1.43 | 0.27 | 18.9 % |
| Total operating expenses | \$ 2,505,511 | \$ 2,906,275 | \$ (400,764) | (13.8) % | 11.61 | 10.52 | 1.09 | 10.4 % |
| Adjusted CASM (1) | | | | | 11.54 | 10.45 | 1.09 | 10.4 % |
| Adjusted CASM ex-fuel (2) | | | | | 9.03 | 7.51 | 1.52 | 20.2 % |

(1) Reconciliation of CASM to Adjusted CASM:

| | Six Months Ended June 30, | | | |
|---|---------------------------|---------|---------------|---------|
| | 2025 | | 2024 | |
| | (in millions) | Per ASM | (in millions) | Per ASM |
| CASM (cents) | | 11.61 | | 10.52 |
| Special charges (credits) | \$ — | — | \$ 35.9 | 0.13 |
| Loss (gain) on disposal of assets | 11.3 | 0.05 | (17.1) | (0.06) |
| Litigation loss contingency | — | — | (1.4) | (0.01) |
| Furlough and termination related expenses | \$ 2.9 | 0.01 | \$ — | — |
| Adjusted CASM (cents) | | 11.54 | | 10.45 |

(2) Excludes aircraft fuel expense, special charges (credits), loss (gain) on disposal of assets, furlough and termination related expenses recorded in the first quarter of 2025, and litigation loss contingency adjustments recorded in the first quarter of 2024.

Our Adjusted CASM ex-fuel for the six months ended June 30, 2025 was 9.03 cents as compared to 7.51 cents for the six months ended June 30, 2024. The increase on a per-ASM basis was primarily due to increases in aircraft rent expense, salaries, wages and benefits expense, other operating expenses and landing fees and other rents expense. These per-ASM increases were mostly driven by the semi-fixed nature of many of these costs in conjunction with a 21.9% year over year decrease in capacity. The reduction in capacity resulted from fewer aircraft being available for scheduling due to GTF engine issues, as well as the strategic realignment of our network.

Salaries, wages and benefits for the six months ended June 30, 2025 decreased \$97.7 million, or 11.5%, as compared to the prior year period. This decrease on a dollar basis was primarily due to lower salaries expense, 401(k) expense, vacation-time expense, and bonus expense. These decreases were primarily driven by lower headcount and a decrease in operations, as compared to the prior year period. The increase on a per-ASM basis was primarily driven by a 21.9% decrease in ASMs, which resulted in higher salaries expense on a per-ASM basis. Additionally, group health expense on a per-ASM basis increased due to higher claims activity compared to the same period in the prior year.

Landing fees and other rents for the six months ended June 30, 2025 decreased \$13.4 million, or 6.0%, as compared to the prior year period. On a dollar basis, landing fees and other rents expense primarily decreased as a result of a decrease in overfly fees, period over period. The increase on a per-ASM basis was primarily driven by a 21.9% decrease in ASMs, resulting in an increase on a per-ASM basis.

Aircraft rent expense for the six months ended June 30, 2025 increased by \$51.2 million, or 21.3%, as compared to the prior year period. This increase in aircraft rent expense on a dollar basis was primarily due to an increase in the number of aircraft financed under operating leases throughout the current period, as compared to the prior year period. Since the second quarter of 2024, we have acquired 16 new aircraft financed under operating leases. In addition, the increase in aircraft rent expense was a result of an increase in supplemental rent, period over period, driven by the increased use of short-term spare engines. The increase in aircraft rent expense on a per-ASM basis was mostly due to reduced average daily aircraft utilization.

In connection with our emergence from bankruptcy and in accordance with ASC 852, we adopted fresh start accounting, requiring the revaluation of our leases right-of-use assets and related operating lease liabilities to their fair value using an estimated incremental borrowing rate at the Fresh Start Reporting Date, as well as adjustments to the related right-of-use assets for off-market terms as of the Emergence Date, resulting in a net decrease in straight-line rent expense during the Successor Period. For additional information, refer to "Notes to Condensed Consolidated Financial Statements—4. Fresh Start Accounting."

Depreciation and amortization for the six months ended June 30, 2025 decreased by \$36.5 million, or 22.0%, as compared to the prior year period. On a dollar basis, depreciation expense decreased, period over period, primarily due to the change in the composition of owned aircraft. Since the prior year period, we retired 7 previously owned A319 aircraft and reclassified 23 aircraft to assets held for sale during the fourth quarter of 2024, within our condensed consolidated balance sheets, which are no longer being depreciated. In addition, in connection with our emergence from bankruptcy and in accordance with ASC 852, we adopted fresh start accounting, requiring the adjustment of our assets to their fair value at the Fresh Start Reporting Date. This resulted in changes to depreciation and amortization in the Successor Period related to the fair value adjustments recorded to our fixed assets values as of the Emergence Date. For additional information, refer to "Notes to Condensed Consolidated Financial Statements—4. Fresh Start Accounting." On a per-ASM basis, depreciation and amortization remained relatively consistent, as compared to the prior year period.

We account for heavy maintenance under the deferral method. Under the deferral method, the cost of heavy maintenance is capitalized and amortized as a component of depreciation and amortization expense in the condensed consolidated statements of operations until the earlier of the next heavy maintenance event or the end of the lease term. The amortization of heavy maintenance costs decreased to \$43.7 million for the six months ended June 30, 2025 from \$57.4 million for the six months ended June 30, 2024. While the amortization of heavy maintenance costs is generally driven by the timing and number of maintenance events, the period over period decrease was primarily due to the increase of AOG credits recognized since the prior year period. These credits reduced the cost basis of deferred heavy maintenance, resulting in lower amortization expense. As our fleet continues to age, we generally expect that the amount of deferred heavy maintenance events will increase and will result in an increase in the amortization of those costs. If the amortization of heavy maintenance events was expensed within maintenance, materials and repairs expense in the condensed consolidated statements of operations, our maintenance, materials and repairs expense would have been \$164.2 million and \$164.8 million for the six months ended June 30, 2025 and 2024, respectively.

Additionally, we wrote off \$120.9 million of capitalized deferred heavy maintenance costs related to our owned aircraft with the adoption of fresh start accounting. The aircraft and spare engines values as of the Emergence Date were determined

using a market approach, and included recent half-life and maintenance adjusted values. For additional information, refer to "Notes to Condensed Consolidated Financial Statements—4. Fresh Start Accounting."

Maintenance, materials and repairs expense for the six months ended June 30, 2025 remained relatively stable, period over period. On a per-ASM basis, the increase in maintenance, materials and repairs expense was primarily due to the mix of maintenance events resulting in higher cost events in the current year period as compared to the prior year period.

Distribution costs increased by \$5.9 million, or 6.5%, for the six months ended June 30, 2025, as compared to the prior year period. The increase on a dollar and per-ASM basis was primarily due to higher advertising expense in the current year period, related to our new travel options and transformed Guest experience. The increase on dollar basis was partially offset by decreased sales volume, which impacts our variable distribution costs such as credit card fees.

We had no significant special charges (credits) for the six months ended June 30, 2025. Special charges (credits) for the six months ended June 30, 2024 consisted of net charges of \$27.9 million in legal, advisory and other fees related to the former Merger Agreement with JetBlue, as well as \$8.0 million related to the retention award program in connection with the former Merger Agreement with JetBlue.

Loss (gain) on disposal of assets for the six months ended June 30, 2025 primarily consisted of a \$20.2 million loss resulting from an adjustment to previously recorded impairment charges in the fourth quarter of 2024 reflecting a change in estimates of costs to sell associated with our aircraft sale and purchase agreement with GAT, partially offset by a \$9.2 million gain related to the three aircraft sale leaseback transactions. Loss (gain) on disposal of assets for the six months ended June 30, 2024 primarily consisted of a \$22.0 million gain related to the seven aircraft sale leaseback transactions, partially offset by a net loss of \$3.3 million related to the sale of 10 A319 airframes and 24 A319 engines and a \$1.7 million loss related to the two sale leaseback transactions on aircraft previously owned.

Other operating expenses for the six months ended June 30, 2025 decreased by \$30.5 million, or 7.7%, as compared to the prior year period. The decrease in other operating expenses on a dollar basis was primarily due to a decrease in travel and lodging expense and ground handling expense, partially offset by an increase in passenger food expense. The decreases period over period are primarily a result of a decrease in operations, a 20.1% decrease in departures, and a decrease in hotel occupation rate due to usage of our residential building, partially offset by an increase in passenger food expense, as certain travel options now include unlimited food and drinks. On a per-ASM basis, other operating expenses increased primarily due to higher ground handling rates compared to the prior year period, as well as increases in wheelchair services, passenger food costs, legal and professional fees, property taxes and Wi-Fi related expenses.

Other (Income) Expense

Our interest expense and corresponding capitalized interest for the Predecessor Period from January 1, 2025 through March 12, 2025 primarily represented interest and accretion related to our 8.00% senior secured notes, as well as the interest related to aircraft that would have been deemed finance leases resulting in failed sale leaseback transactions and the financing of purchased aircraft. In addition, our interest expense for the Predecessor Period included the discount amortization related to our convertible notes due 2026 and the interest related to our convertible notes, which were canceled as of the Emergence Date.

Our interest expense and corresponding capitalized interest for the Successor Period from March 13, 2025, through June 30, 2025 primarily represented the interest related to the Exit Secured Notes, as well as the interest related to aircraft that would have been deemed finance leases resulting in failed sale leaseback transactions and the financing of purchased aircraft. Refer to "Notes to Condensed Consolidated Financial Statements—15, Debt and Other Obligations" for additional information.

As part of our emergence from bankruptcy and in compliance with ASC 852, we implemented fresh start accounting, which required us to record a fair value adjustment to our remaining outstanding debt as of the Fresh Start Reporting Date. The adjustments to each debt instrument will be amortized through the remaining term of the related debt instrument to accrete the adjusted balance to its face value at the end of the loan. Amortization is recorded in interest expense, within the condensed consolidated statements of operations. For further details, see "Notes to Condensed Consolidated Financial Statements—4. Fresh Start Accounting."

Our interest expense and corresponding capitalized interest for the six months ended June 30, 2024 primarily represented interest and accretion related to our 8.00% senior secured notes as well as the interest related to aircraft that would have been deemed finance leases resulting in failed sale leaseback transactions and the financing of purchased aircraft. In addition, our

interest expense for the six months ended June 30, 2024 included the discount amortization related to our convertible notes due 2026 and the interest related to our convertible notes.

We had \$0.1 million loss (gain) on extinguishment of debt for the six months ended June 30, 2025. Our loss (gain) on extinguishment of debt for the six months ended June 30, 2024 was related to the gain recognized from favorable interest rate swap provisions contained in certain debt agreements extinguished during the first quarter of 2024, partially offset by the write-offs of related deferred financing costs.

Our interest income for the six months ended June 30, 2025 primarily represented interest income earned on cash, cash equivalents, short-term investments and restricted cash. Our interest income for the six months ended June 30, 2024 represented interest income earned on cash, cash equivalents and short-term investments. During the six months ended June 30, 2025 and six months ended June 30, 2024, we had interest income of \$18.0 million and \$25.8 million, respectively.

Other (income) expense for the six months ended June 30, 2025 primarily represents realized gains and losses related to foreign currency transactions. Other (income) expense for the six months ended June 30, 2024, primarily represents cash received during the first quarter of 2024 from JetBlue under the terms of the Termination Agreement and realized gains and losses related to foreign currency transactions.

Income Taxes

Our effective tax rate for the six months ended June 30, 2025 was (8.1)%, compared to 3.2% for the six months ended June 30, 2024. The decrease in tax rate, as compared to the prior year period, is primarily driven by a change in valuation allowances on our deferred tax assets. While we expect our tax rate to be fairly consistent in the near term, it will tend to vary depending on items such as changes to permanent tax items, changes in valuation allowances on our deferred tax assets, the amount of income we earn in each state and the state tax applicable to such income. Discrete items particular to a given year may also affect our effective tax rates.

On July 4, 2025, subsequent to the end of the second quarter of 2025, the President signed into law the One Big Beautiful Bill Act (the “Act”), which enacts significant changes to U.S. income tax and related laws. Among other things, the Act makes changes to certain business-related exclusions, deductions and credits. The effect of the Act will be recorded in the third quarter of fiscal 2025, as a change in tax law is accounted for in the period of enactment. We are currently evaluating the Act, however we currently do not expect the Act to have a material impact on our Consolidated Financial Statements and related disclosures.

Liquidity and Capital Resources

Going Concern

On March 12, 2025, we emerged from the Chapter 11 Cases in accordance with the Plan. As part of the reorganization, we successfully restructured certain of our debt obligations, established new financing arrangements, and issued new equity securities consisting of new common stock and new warrants. For a discussion of our plan of reorganization, see “Notes to Condensed Consolidated Financial Statements—3. Emergence from Voluntary Reorganization Under Chapter 11” for additional information. However, we have continued to be affected by adverse market conditions, including elevated domestic capacity and continued weak demand for domestic leisure travel in the second quarter of 2025, resulting in a challenging pricing environment. As a result, we continue to experience challenges and uncertainties in our business operations and expect these trends to continue for at least the remainder of 2025.

We have already taken certain measures to address these challenges, including the implementation of network and product enhancements, including our **Premium Economy** travel option, consummation of sale-leaseback transactions related to certain of our owned spare engines, and other discretionary cost reduction strategies, including the pilot furloughs announced in July 2025. After considering the measures taken, minimum liquidity covenants in our debt obligations and credit card processing agreement require financial results to improve at a rate faster than what we are currently anticipating. As a result, we plan to take additional liquidity enhancing measures, which may include the sale or other monetization of certain aircraft and real estate, the sale of excess airport gate capacity, elimination of certain fixed costs and other transactions to raise additional liquidity. We are in discussions with various stakeholders related to some of these future initiatives. We are also in discussions with representatives of our credit card processor, which have requested additional collateral to renew our credit card processing agreement, which expires on December 31, 2025. The level of collateral required to be posted could result in a material

reduction of unrestricted cash. While it is our goal to execute on these initiatives, there can be no assurance that such initiatives will be successful.

If these initiatives are unsuccessful, management believes it is probable that we will be unable to comply with the minimum liquidity covenants under our debt obligations and credit card processing agreement at some point in the next 12 months, which would result in an event of default (in the case of the Exit Revolving Credit Facility, if there are amounts drawn and outstanding under the Exit Revolving Credit Facility at that time), which could cause the maturity of our debt obligations to be accelerated. Because of the uncertainty of successfully completing the initiatives to comply with the minimum liquidity covenants and of the outcome of discussions with our stakeholders, management has concluded there is substantial doubt as to our ability to continue as a going concern within 12 months from the date these financial statements are issued.

Our condensed consolidated financial statements have been prepared assuming that we will continue to operate as a going concern, which contemplates the continuity of operations, realization of assets and liquidation of liabilities in the normal course of business, and does not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from uncertainty related to our ability to continue as a going concern.

Bankruptcy Liquidity

As a result of the Chapter 11 Cases, we canceled \$1.6 billion of our liabilities subject to compromise and terminated the applicable agreements governing such obligations. On the Emergence Date, we fully repaid and terminated the \$300.0 million DIP Facility and paid the then-outstanding Revolving Credit Facility of \$300.0 million in full. Concurrently, we entered into the Exit RCF in the aggregated amount of \$275.0 million and issued \$840.0 million of Exit Secured Notes. Refer to "Notes to Condensed Consolidated Financial Statements—15. Debt and Other Obligations" for additional information.

Additionally, in connection with our \$350.0 million Equity Rights Offering, we issued 16,067,305 shares of Common Stock and 24,255,256 Warrants, as further described in the "Notes to Condensed Consolidated Financial Statements—8. Equity".

In connection with our emergence from bankruptcy and in accordance with ASC 852, we adopted fresh start accounting, requiring the revaluation of our remaining outstanding debt to its fair value at the Fresh Start Reporting Date and the establishment of new interest rates for the Successor Period. For additional information, refer to "Notes to Condensed Consolidated Financial Statements—4. Fresh Start Accounting."

Transaction Liquidity

On March 31, 2025, we completed a private offering of Class B(R) Pass Through Certificates, Series 2025-1B(R) (the "Class B(R) Certificates"), in the aggregate face amount of \$215 million, the proceeds of which were used to acquire new equipment notes to be issued by the Company. In April 2025, we used the proceeds from the issuance to repay \$43.0 million outstanding related to our existing "Series B" equipment notes issued under the 2017-1 pass through certificates, pay transaction fees, and for general corporate purposes.

In addition, earlier in the third quarter of 2025, we completed sale leaseback transactions involving 14 previously owned spare engines, generating approximately \$250 million in net proceeds.

General Liquidity

Our primary sources of liquidity generally include cash on hand, cash provided by operations and capital from debt and equity financing. Primary uses of liquidity are for working capital needs, capital expenditures, aircraft and engine pre-delivery deposit payments ("PDPs") and debt and lease obligations. As of June 30, 2025, we had \$682.5 million of liquidity comprised of unrestricted cash and cash equivalents and funds available under our Exit Revolving Credit Facility.

In addition, on July 2, 2024, we modified our agreement with our primary credit card processor to extend the term through December 31, 2025, including automatic extensions for two successive one-year terms (subject to the right of either party to opt out of any extension term by written notice to the other within a specified period of time prior to the commencement of any extension term). Based on the terms of the agreement, we deposited \$200.0 million into a deposit account and deposited \$50.0 million into a restricted account. As such, the balance of the deposit account is included in cash and cash equivalents within our condensed consolidated balance sheets, and the \$50.0 million in the restricted account is included in restricted cash within our condensed consolidated balance sheets. Additionally, as of June 30, 2025, we provided a deposit of \$25.0 million to

a credit card processor recorded within deposits and other current assets in our condensed consolidated balance sheets. Refer to "Notes to Condensed Consolidated Financial Statements—13. Commitments, Contingencies and Other Contractual Arrangements" for additional information regarding our credit card processing arrangements.

Generally, one of our largest capital expenditure needs is funding the acquisition costs of our aircraft. Aircraft may be acquired through debt financing, cash purchases, direct leases or sale leaseback transactions. During the six months ended June 30, 2025, we took delivery of three aircraft under sale leaseback transactions and one under direct operating lease. During the six months ended June 30, 2025, we made \$108.3 million in debt payments (principal, interest and fees) on our outstanding aircraft debt obligations.

Under our purchase agreements for aircraft and engines, we are required to pay PDPs relating to future deliveries at various times prior to each delivery date. During the six months ended June 30, 2025, we paid \$4.2 million in PDPs and \$1.6 million of capitalized interest for future deliveries of aircraft and spare engines. In addition, during the six months ended June 30, 2025, we received \$39.7 million in PDPs related to sale leaseback transactions completed during the period for aircraft that were originally part of our order book. As of June 30, 2025, we had \$73.6 million of PDPs on flight equipment, including capitalized interest, on our condensed consolidated balance sheets.

As of June 30, 2025, we had secured financing for 36 aircraft to be leased directly from a third-party lessor, with deliveries expected through 2028. We do not have financing commitments in place for the remaining 52 Airbus firm aircraft orders, scheduled for delivery from 2029 through 2031. Future aircraft deliveries may be paid in cash, leased or otherwise financed based on market conditions, our prevailing level of liquidity and capital market availability.

Net Cash Flows Provided (Used) By Operating Activities. Cash used by operating activities was \$249.7 million in the Successor Period, cash used by operating activities was \$223.7 million in the Current Predecessor Period, and cash used by operating activities was \$270.0 million in the six months ended June 30, 2024. Cash used by operating activities in the Successor Period was primarily related to the net loss in the period, as well as a decrease in air traffic liability, partially offset by an increase in accounts payable. Cash used by operating activities in the Current Predecessor Period was primarily related to the non-cash expense of reorganization items, partially offset by the increase in air traffic liability and the net income in the period.

Net Cash Flows Provided (Used) By Investing Activities. Cash provided by investing activities in the Successor Period was \$120.4 million, cash provided by investing activities in the Current Predecessor Period was \$19.0 million, and cash provided by investing activities was \$252.1 million in the six months ended June 30, 2024. Cash provided by investing activities during the Successor Period was primarily related to proceeds from the maturity and sale of available-for-sale investment securities, partially offset by cash used to purchase available-for-sale investment securities. Cash provided by investing activities during the Current Predecessor Period was primarily related to refunds of PDPs partially offset by the cash used to purchase property and equipment.

Net Cash Flows Provided (Used) In Financing Activities. Cash provided by financing activities was \$123.6 million in the Successor Period, cash used by financing activities was \$300.6 million in the Current Predecessor period, and cash used was \$121.4 million in the six months ended June 30, 2024. During the Successor Period, the amount of cash provided was mainly driven by the proceeds of the issuance of long-term debt, partially offset by cash payments on debt obligations and payments to extinguish debt early. During the Current Predecessor Period, the amount of cash used was mainly driven by cash payments on debt obligations, partially offset by the proceeds of the issuance of common stock and warrants.

Commitments, Contingencies and Other Contractual Arrangements

Our contractual purchase commitments consist primarily of aircraft and engine acquisitions through manufacturers and aircraft leasing companies.

As of June 30, 2025, our aircraft orders consisted of 52 A320 family aircraft with Airbus, including A320neos and A321neos, with deliveries expected from 2029 through 2031. As of June 30, 2025, we did not have financing commitments in place for the remaining 52 Airbus aircraft on firm order. The contractual purchase amounts for all aircraft orders from Airbus as of June 30, 2025 are included within the flight equipment purchase obligations in the table below.

During the third quarter of 2021, we entered into an Engine Purchase Support Agreement that requires us to purchase a certain number of spare engines in order to maintain a contractual ratio of spare engines to aircraft in the fleet. As of June 30, 2025, we were committed to purchase 16 PW1100G-JM spare engines, with deliveries through 2031.

In addition to the Airbus Purchase Agreement, as of June 30, 2025, we had secured 36 direct leases for aircraft with a third-party lessor, with deliveries scheduled in 2027 and 2028. As of June 30, 2025, aircraft rent commitments for future aircraft deliveries to be financed under direct leases from the third-party lessor are expected to be none for the remainder of 2025, none in 2026, approximately \$63.5 million in 2027, \$162.3 million in 2028, \$210.3 million in 2029 and \$2,087.3 million in 2030 and beyond.

We have significant obligations for aircraft and spare engines, as we had 166 leased aircraft, of which 148 aircraft were financed under operating leases and 18 aircraft would have been deemed finance leases resulting in failed sale leaseback transactions, and 5 spare engines financed under operating leases.

Aircraft rent payments were \$146.0 million and \$126.1 million for the three months ended June 30, 2025 and June 30, 2024, respectively, for aircraft which were financed under operating leases. Aircraft rent payments were \$289.0 million and \$244.2 million for the six months ended June 30, 2025 and June 30, 2024, respectively, for aircraft which were financed under operating leases. Aircraft rent payments were \$16.9 million and \$16.9 million for the three months ended June 30, 2025 and June 30, 2024, respectively, for aircraft which would have been deemed finance leases resulting in failed sale leaseback transactions. Aircraft rent payments were \$33.8 million and \$33.8 million for the six months ended June 30, 2025 and June 30, 2024, respectively, for aircraft which would have been deemed finance leases resulting in failed sale leaseback transactions.

Our fixed-rate operating leases with terms greater than 12 months are included within operating lease right-of-use assets with the corresponding liabilities included within current maturities of operating leases and operating leases, less current maturities on our condensed consolidated balance sheets. Leases with a term of 12 months or less and variable-rate leases are not recorded on our condensed consolidated balance sheets. Please see "Notes to Condensed Consolidated Financial Statements —12. Leases" for further discussion on our leases.

Other Contractual Arrangements

On July 25, 2023, RTX Corporation, the parent company of Pratt & Whitney, announced that it had determined that a rare condition in the powdered metal used to manufacture certain engine parts will require accelerated inspection of the PW 1100G-JM geared turbo fan ("GTF") fleet, which powers our A320neo family of aircraft. As a result, we have removed GTF engines from service and grounded some of our A320neo aircraft for inspection requirements.

On June 4, 2025, we entered into the Agreement with IAE, an affiliate of Pratt & Whitney, pursuant to which IAE will provide us with a monthly credit, subject to certain conditions, as compensation for each of our aircraft unavailable for operational service due to GTF engine issues from January 1, 2025 through December 31, 2025. The credits are accounted for as vendor consideration in accordance with ASC 705-20 and are recognized as a reduction of the purchase price of the goods or services acquired from IAE during the period, which may include the purchase of maintenance, spare engines and short-term rentals of spare engines, based on an allocation that corresponds to our progress towards earning the credits.

As of June 30, 2025, Pratt & Whitney issued us \$72.4 million in credits related to the aircraft on ground ("AOG") days through June 30, 2025. During the three months ended June 30, 2025, we recorded \$38.1 million of credits as a reduction in the cost basis of assets purchased from IAE within flight equipment and deferred heavy maintenance, net on our condensed consolidated balance sheets and \$14.3 million in credits on our condensed consolidated statements of operations within maintenance, materials and repairs and aircraft rent expenses. In addition, during the three months ended June 30, 2025, the Successor Period, and the Current Predecessor Period, we recognized lower depreciation and amortization expense of \$6.0 million, \$7.2 million, and \$6.1 million, respectively, related to credits recognized, under the 2024 and 2025 Agreements with IAE, as a reduction of the cost basis of assets purchased from IAE recorded within our condensed consolidated statements of operations.

The difference remaining between the amount of credits Pratt & Whitney issued and the amount we have recognized will be recognized in the future as reductions in the cost basis of goods and services purchased from Pratt & Whitney. The temporary removal of GTF engines from service is expected to continue through at least 2026.

We have contractual obligations and commitments primarily with regard to future purchases of aircraft and engines, payments of debt and lease arrangements. The following table discloses aggregate information about our contractual obligations as of June 30, 2025 and the periods in which payments are due (in millions):

| | 2025 | 2026 - 2027 | 2028 - 2029 | 2030 and beyond | Total |
|--|---------------|-----------------|-----------------|-----------------|------------------|
| Long-term debt ⁽¹⁾ | \$ 69 | \$ 389 | \$ 494 | \$ 1,727 | \$ 2,679 |
| Interest and fee commitments ⁽²⁾ | 81 | 300 | 248 | 134 | 763 |
| Finance and operating lease obligations | 293 | 1,110 | 1,033 | 5,245 | 7,681 |
| Flight equipment purchase obligations ⁽³⁾ | 18 | 195 | 1,422 | 1,858 | 3,493 |
| Other ⁽⁴⁾ | 27 | 73 | 9 | 4 | 113 |
| Total future payments on contractual obligations | <u>\$ 488</u> | <u>\$ 2,067</u> | <u>\$ 3,206</u> | <u>\$ 8,968</u> | <u>\$ 14,729</u> |

⁽¹⁾ Includes principal only associated with our outstanding long-term debt instruments, including principal payments related to failed sale leaseback transactions. In addition, includes paid-in-kind (PIK) interest that is anticipated to accrue and be settled along with the principal repayment of the Company's Exit Secured Notes at maturity. Refer to "Notes to Condensed Consolidated Financial Statements—15. Debt and Other Obligations."

⁽²⁾ Related to our outstanding long-term debt instruments. Includes commitment fees accrued as of June 30, 2025 related to our variable-rate revolving credit facility. Refer to "Notes to Condensed Consolidated Financial Statements—15. Debt and Other Obligations."

⁽³⁾ Includes estimated amounts for contractual price escalations, PDPs and other payments on flight equipment as of June 30, 2025.

⁽⁴⁾ Primarily related to our reservation system and other miscellaneous subscriptions and services. Refer to "Notes to Condensed Consolidated Financial Statements—13. Commitments, Contingencies and Other Contractual Arrangements."

Off-Balance Sheet Arrangements

As of June 30, 2025, we had a line of credit related to corporate credit cards of \$6.1 million, collateralized by \$6.0 million in restricted cash, from which we had drawn \$0.6 million.

As of June 30, 2025, we had lines of credit with counterparties for derivatives in the amount of \$3.5 million. We are required to post collateral for any excess above the lines of credit if the derivatives, if any, are in a net liability position. As of June 30, 2025, we did not hold any derivatives.

As of June 30, 2025, we had \$11.9 million in surety bonds, primarily collateralized by a letter of credit and \$48.7 million standby letters of credit collateralized by \$49.6 million of restricted cash, representing an off-balance sheet commitment, of which \$44.4 million were issued letters of credit.

Critical Accounting Estimates

Refer to "Critical Accounting Policies and Estimates" contained in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024 for a discussion of our critical accounting estimates. There have been no material changes to our critical accounting estimates since our Annual Report on Form 10-K for the year ended December 31, 2024.

GLOSSARY OF AIRLINE TERMS

Set forth below is a glossary of industry terms:

“Adjusted CASM” means operating expenses, excluding special charges (credits), loss (gain) on disposal of assets, furlough, termination and retention-related expenses, litigation loss contingency adjustment recorded in the first quarter of 2024, divided by ASMs.

“Adjusted CASM ex-fuel” means operating expenses excluding aircraft fuel expense, special charges (credits), loss (gain) on disposal of assets, furlough, termination and retention-related expenses, litigation loss contingency adjustment recorded in the first quarter of 2024, divided by ASMs.

“AFA-CWA” means the Association of Flight Attendants-CWA.

“Air traffic liability” or “ATL” means the value of tickets sold in advance of travel.

“ALPA” means the Air Line Pilots Association, International.

“AMFA” means the Aircraft Mechanics Fraternal Association.

“AOG” means Aircraft on Ground.

“ASIF” means an Aviation Security Infrastructure Fee assessed by the TSA on each airline.

“Available seat miles” or “ASMs” means the number of seats available for passengers multiplied by the number of miles the seats are flown, also referred to as “capacity.”

“Average aircraft” means the average number of aircraft in our fleet as calculated on a daily basis.

“Average daily aircraft utilization” means block hours divided by number of days in the period divided by average aircraft.

“Average fuel cost per gallon” means total aircraft fuel expense divided by the total number of fuel gallons consumed.

“Average yield” means average operating revenue earned per RPM, calculated as total revenue divided by RPMs, also referred to as “passenger yield.”

“Block hours” means the number of hours during which the aircraft is in revenue service, measured from the time of gate departure before take-off until the time of gate arrival at the destination.

“CASM” or “unit costs” means operating expenses divided by ASMs.

“CBA” means a collective bargaining agreement.

“CBP” means United States Customs and Border Protection.

“DOT” means the United States Department of Transportation.

“EETC” means enhanced equipment trust certificate.

“EPA” means the United States Environmental Protection Agency.

“FAA” means the United States Federal Aviation Administration.

“Fare revenue per passenger flight segment” means total fare passenger revenue divided by passenger flight segments.

“FCC” means the United States Federal Communications Commission.

“FLL Airport” means the Fort Lauderdale Hollywood International Airport.

“GDS” means Global Distribution System (e.g., Amadeus, Galileo, Sabre and Worldspan).

“IAMAW” means the International Association of Machinists and Aerospace Workers.

“Into-plane fuel cost per gallon” means into-plane fuel expense divided by number of fuel gallons consumed.

“Into-plane fuel expense” represents the cost of jet fuel and certain other charges such as fuel taxes and oil.

“Load factor” means the percentage of aircraft seats actually occupied on a flight (RPMs divided by ASMs).

“NMB” means the National Mediation Board.

“OTA” means Online Travel Agent (e.g., Orbitz and Travelocity).

"PAFCA" means the Professional Airline Flight Control Association.

“Passenger flight segments” means the total number of passengers flown on all flight segments.

“PDP” means pre-delivery deposit payment.

“Revenue passenger mile” or “RPM” means one revenue passenger transported one mile. RPMs equal revenue passengers multiplied by miles flown, also referred to as “traffic.”

“RLA” means the United States Railway Labor Act.

"Total operating revenue per-ASM," "TRASM" or "unit revenue" means operating revenue divided by ASMs.

“TWU” means the Transport Workers Union of America.

“TSA” means the United States Transportation Security Administration.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk-Sensitive Instruments and Positions

We are subject to certain market risks, including commodity prices (specifically aircraft fuel) and interest rates. We purchase the majority of our jet fuel at prevailing market prices and seek to manage market risk through execution of our hedging strategy and other means. We have market-sensitive instruments in the form of fixed-rate debt instruments, short-term investment securities and, from time to time, financial derivative instruments used to hedge our exposure to jet fuel price increases and interest rate increases. We do not purchase or hold any derivative financial instruments for trading purposes. The adverse effects of changes in these markets could pose a potential loss as discussed below. The sensitivity analysis provided below does not consider the effects that such adverse changes may have on overall economic activity, nor does it consider additional actions we may take to mitigate our exposure to such changes. Actual results may differ.

Aircraft Fuel. Our results of operations can vary materially due to changes in the price and availability of aircraft fuel. Aircraft fuel expense for the six months ended June 30, 2025 represented approximately 21.6% of our operating expenses. Volatility in aircraft fuel prices or a shortage of supply could have a material adverse effect on our operations and operating results. We source a significant portion of our fuel from refining resources located in the southeast United States, particularly facilities adjacent to the Gulf of Mexico. Gulf Coast fuel is subject to volatility and supply disruptions, particularly during hurricane season when refinery shutdowns have occurred, or when the threat of weather-related disruptions has caused Gulf Coast fuel prices to spike above other regional sources. Fuel availability and pricing are also subject to refining capacity, periods of market surplus, and shortage and demand for heating oil, gasoline and other petroleum products, as well as meteorological, economic and political factors and events occurring throughout the world, which we can neither control nor accurately predict. Both jet fuel swaps and jet fuel options are used at times to protect the refining price risk between the price of crude oil and the price of refined jet fuel, and to manage the risk of increasing fuel prices. Gulf Coast Jet indexed fuel is the basis for a substantial majority of our fuel consumption. Based on our annual fuel consumption over the last 12 months, a hypothetical 10.0% increase in the average price per gallon of aircraft fuel would have increased into-plane aircraft fuel expense by approximately \$121 million. As of June 30, 2025, we did not have any outstanding jet fuel derivatives, and we have not engaged in fuel derivative activity since 2015.

Fixed-Rate Debt. As of June 30, 2025, we had \$1,524.5 million outstanding in fixed-rate debt related to 38 Airbus A320 aircraft and 29 Airbus A321 aircraft, which had a fair value of \$1,423.1 million. In addition, as of June 30, 2025, we had \$850.3 million and \$136.3 million outstanding in fixed-rate debt related to our Exit Secured Notes and our unsecured term loans, respectively, which had fair values of \$614.5 million and \$135.2 million.

Variable-Rate Debt. As of June 30, 2025, we did not have any outstanding variable-rate long-term debt.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2025. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including its chief executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on the evaluation of our disclosure controls and procedures as of June 30, 2025, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the quarter ended June 30, 2025 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are subject to commercial litigation claims and to administrative and regulatory proceedings and reviews that may be asserted or maintained from time to time. We believe the ultimate outcome of such lawsuits, proceedings and reviews will not, individually or in the aggregate, have a material adverse effect on our financial position, liquidity or results of operations. In making a determination regarding accruals, using available information, we evaluate the likelihood of an unfavorable outcome in legal or regulatory proceedings and assessments to which we are a party and record a loss contingency when it is probable a liability has been incurred and the amount of the loss can be reasonably estimated. These subjective determinations are based on the status of such legal or regulatory proceedings, the merits of our defenses, and consultation with legal counsel. Actual outcomes of these legal and regulatory proceedings may materially differ from our current estimates. It is possible that the resolution of one or more of the legal matters currently pending or threatened could result in losses material to our consolidated results of operations, liquidity or financial condition.

Following an audit by the Internal Revenue Service ("IRS") related to the collection of federal excise taxes on optional passenger seat selection charges covering the second quarter of 2018 through the fourth quarter of 2020, on March 31, 2022, we were assessed \$34.9 million. On July 19, 2022, the assessment was reduced to \$27.5 million. We believe we have defenses available and have informed the IRS that we are challenging the assessment. We believe a loss in this matter is not probable and we have not recognized a loss contingency.

ITEM 1A. RISK FACTORS

Except as listed below, there have been no material changes to the risk factors disclosed in Item 1A “Risk Factors” contained in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 3, 2025, as well as to the risk factors disclosed in Item 1A “Risk Factors” contained in our Quarterly Report on the Form 10-Q for the quarter ended March 31, 2025, filed with the Securities and Exchange Commission on May 30, 2025. Investors are urged to review all such risk factors carefully.

We are highly dependent upon our cash balances and operating cash flows.

As of June 30, 2025, we had cash and cash equivalents of \$407.5 million, and we had \$275.0 million available for borrowing under our Exit Revolving Credit Facility. We will continue to be dependent on our operating cash flows and other liquidity enhancement strategies to fund our operations and to make scheduled payments on our aircraft-related fixed obligations and other debt obligations.

We operate in a highly competitive industry environment, and industry trends in the second quarter of 2025, including elevated domestic capacity and continued weak demand for domestic leisure travel, have required us to revise and implement strategies to improve our liquidity, including the implementation of network and product enhancements, including to our **Premium Economy** travel option, consummation of sale-leaseback transactions related to certain of our owned spare engines, and discretionary cost reduction strategies, including the pilot furloughs announced in July 2025. We plan to take additional liquidity enhancing measures, which may include the sale or other monetization of certain aircraft and real estate, the sale of excess airport gate capacity, elimination of certain fixed costs and other transactions to raise additional liquidity. We are in discussions with various stakeholders related to some of these future initiatives.

However, there can be no assurance that we will be able to improve our liquidity position, achieve our business plans or return to profitability. Further, we can give no assurances that we will be able to secure additional sources of funds to support our operations or refinance our existing indebtedness, or, even if such additional funds are available to us, that such additional financing will be on terms that are acceptable to us or sufficient to meet our needs. If we are unable to raise sufficient capital or refinance our existing indebtedness when needed, our business, financial condition and results of operations will be materially and adversely affected, and we may need to significantly modify our operational plans to continue as a going concern. In addition, our credit card processors are entitled to withhold receipts from customer purchases from us under certain circumstances. If we fail to maintain certain liquidity and other financial covenants, the amount of cash they have the right to hold back would increase, which would result in a reduction of unrestricted cash that could be material. Inadequate liquidity could have an impact on compliance with our debt obligations and may materially adversely affect our share price and our ability to raise new capital or to enter into or amend critical contractual relations with third parties due to concerns about our ability to meet our contractual obligations.

We rely on third-party service providers to perform functions integral to our operations.

We have entered into agreements with third-party service providers to provide certain facilities and services required for our operations, including ground handling, catering, passenger handling, engineering, maintenance, refueling, reservations, technology upgrades, credit card processing and airports as well as other administrative and support services. We are likely to enter into similar service agreements as current service agreements expire and/or in new markets we decide to enter, and there can be no assurance that we will be able to obtain the necessary services at acceptable terms and rates.

Prior to the expiration of agreements with third parties that provide us with our ground handling, catering, passenger handling, engineering, maintenance, refueling, reservations, technology upgrades, credit card processing, airports, and other service providers, we seek to negotiate the terms and conditions of new service agreements (with current or other eligible service providers) to avoid disruption or lapses in continued services provided to our operations. However, we cannot ensure that we will be able to obtain necessary services at acceptable terms and rates following the expiration of current agreements. For example, our primary current credit card processing agreement expires on December 31, 2025, and that processor is under no obligation to renew the agreement. We are in discussions with our primary credit card processor, which has requested additional collateral to renew its agreement with us. The level of collateral required to be posted could result in a material reduction of unrestricted cash. There is no assurance that we will be able to renew our agreement with them on acceptable terms. In addition, there may not be alternative arrangements available to us from other credit card processors on comparable or better terms. Any lapses in continued services related to our operation or the failure to obtain the necessary services may have an adverse impact on our business and operations.

In addition, although we seek to monitor the performance of third-party service providers, the efficiency, timeliness and quality of contract performance by third-party service providers are often beyond our control, and any failure by our service providers to perform their contracts, including as a result of operational failures or a force majeure, may have an adverse impact on our business and operations. For example, in 2008, our call center provider went bankrupt. Though we were able to quickly switch to an alternative vendor, we experienced a significant business disruption during the transition period and a similar disruption could occur in the future if we changed call center providers or if an existing provider ceased to be able to serve us. We expect to be dependent on such third-party arrangements for the foreseeable future.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Securities

There were no unregistered sales of our securities during the quarter ended June 30, 2025.

Repurchases of Equity Securities

There were no repurchases of our common stock during the quarter ended June 30, 2025.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

| Exhibit Number | Description of Exhibits |
|----------------|---|
| 10.1 | <u>Separation and Release Agreement between Edward M. Christie and Spirit Aviation Holdings, Inc. dated April 6, 2025.</u> |
| 10.2 | <u>Employment Agreement between David Davis and Spirit Aviation Holdings, Inc. dated April 16, 2025.</u> |
| 10.3 | <u>Escrow Agreement with David Davis dated April 18, 2025</u> |
| 10.4 | <u>Spirit Aviation Holdings, Inc. 2025 Incentive Award Plan dated April 16, 2025.</u> |
| 10.5 | <u>Form of Non-Employee Director Restricted Stock Unit Award Agreement (Performance-and-Time-based).</u> |
| 10.6 | <u>Inducement Award Agreement with David Davis dated April 21, 2025.</u> |
| 10.7 | <u>Initial Restricted Stock Units Award Agreement with David Davis dated April 21, 2025.</u> |
| 10.8 | <u>Initial Performance Stock Units Award Agreement with David Davis dated April 21, 2025.</u> |
| 10.9 | <u>Separation and Release Agreement between Matthew H. Klein and Spirit Aviation Holdings, Inc. dated April 17, 2025.</u> |
| 10.10 | <u>Letter Agreement between International Aero Engines, LLC and Spirit Airlines, LLC dated June 4, 2025.</u> |
| 31.1 | <u>Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u> |
| 31.2 | <u>Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u> |
| 32.1* | <u>Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u> |
| 32.2* | <u>Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u> |
| 101.INS | XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document. |
| 101.SCH | XBRL Taxonomy Extension Schema |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase |
| 104 | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101) |

* Exhibits 32.1 and 32.2 are being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall such exhibits be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act or the Exchange Act, except as otherwise specifically stated in such filing.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SPIRIT AVIATION HOLDINGS, INC.

August 11, 2025

By: /s/ Frederick S. Cromer
Frederick S. Cromer
Executive Vice President and
Chief Financial Officer